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# Globalisation Religion & Development

Editors
Farhang Morady
İsmail Şiriner

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# GLOBALISATION,

# RELIGION & DEVELOPMENT

**EDITED BY**

**FARHANG MORADY**
*University of Westminster*
*London / United Kingdom*

*&*

**İSMAİL ŞİRİNER**
*Kocaeli University*
*Kocaeli / Turkey*

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# List of Contributors

**Dorrie Chetty** is a Senior Lecturer at the University of Westminster; she teaches undergraduate and postgraduate students. Her research focuses on issues of gender, development and globalisation. She has published in areas of gender, ethnicity and identity and has audio recorded cases on human trafficking. Her latest research interest lies in migration and remittances.

**Dr. Hakkı Cenk Erkin** is a post-graduate student in economics and a research assistant at the Civil Aviation College, Kocaeli University.

**Arzu Culhaci** is a lecturer in Globalisation and Development at Westminster University. Her research area focuses on international migration and remittances.

**Sibel Fettahoğlu** is an assistant professor at the department of Business Administration, Kocaeli University.

**Dr. Horacio Gago Prialé** is a Senior Lecturer in Law and Development at the University of Pontificia Catolica, Peru. His research interests include urban processes in emerging countries, the informal sector and the study of juridical customs.

**Dr . Şevket Alper Koç** has a PhD in economics from A&M University, Texas. He is an assistant professor at the department of economics, Kocaeli University.

**Alexandra Kelbert** has completed her undergraduate study in Development Studies and International Relations at the University of Westminster. She is currently working for Justice Africa.

**Dr. Farhang Morady** is a Senior Lecturer in Globalisation and Development at Westminster University. His research interests lie in Political Economy, Energy, the Middle East and Iran. His most recent publication is 'Iran: Islamic Republic or God's Kingdom? The Election, Protest, and Prospects for Change.' *Research in Political Economy*, Vol. 26, pp.69-97.

**Dr. Hoshang Noraiee** is a lecturer at the University of Westminster. He completed his PhD in Sociology from the University of Warwick. His research interests cover Globalization, Islam, International Political Economy and the Middle East.

**Professor Mike O'Donnell** is an Emeritus Professor of Sociology at Westminster University. He has published journal articles on ethnicity and globalisation, social theory and on nineteen sixties radicalism. His most recent publications include an edited four-volume collection of articles titled *Structure and Agency* (Sage, 2010) and *Sixties Radicalism and Social Movement Activism* (Anthem, 2010) co-edited with Bryn Jones.

**Samane Salimi-Tari** is a post-graduate student in Development Studies at the School of Oriental And African Studies. Her area of research is gender and development in Iran.

**Dr. Sermin Sarıca** is an assistant professor at Istanbul University. Her research areas are: social policy, labour market and SOEs. She is a member of the Association for Social Rights and she has edited a book on 'Crises, Women and Social Policy'. Her recent publication includes the effects of social policy on labour market transformation.

**Dr. İsmail Şiriner** is an Associate Professor at Kocaeli University. He is the editor of International Journal of Politics & Economics and the organizing chair of the annual International Conference of Political Economy Series. In addition to teaching at Kocaeli University, he worked as a visiting professor at the University of Westminster and at the Silesian University in the Czech Republic. His main areas of interest include Globalization, Macroeconomics, Monetary and Fiscal Policies, Political Economy and Growth.

**Dr. Elizabeth Waters** was educated at the Universities of Sussex and Birmingham and at Moscow State University. She has taught in Australia and the UK and is currently working at Westminster University. Her research focuses on social issues in Soviet history and society, in particular on family, gender and welfare policy. Her most recent project and publications have been on alcohol consumption and drinking culture in Kazakhstan during the communist period and since Independence.

## Preface and Acknowledgement

This project began in 2009, when Social Science staff and students from the University of Westminster visited Istanbul and Kocaeli University, Turkey. All the guest speakers from Westminster University not only presented papers at the 'Conference on Political Economy', organised by Kocaeli University, but also engaged in debates, discussions and meetings with colleagues from different Turkish universities and other parts of the world. This dialogue continued at the conference on 'Globalisation, Religion and Development', organised by Development Studies and Sociology staff and students at the University of Westminster in June 2010. We would like to give thanks to Umit Cetin, Celia Jenkins, Ruth Swirsky, Derrick Wright, Maggie Sumner, Lydia Lorna Charles and Gill Webster for helping us to organise the conference in London. Also, we would like to acknowledge Kay Norman, Arzu Culhaci and Mike O'Donnell for their constructive comments. Our thanks are equally offered to both universities for their generosity in providing us with the facilities necessary for a successful conference. Just as significant and influential were the many undergraduate and post-graduate students who helped us organise the conferences in both London and Kocaeli. Sharing their vision in scholarly activities, we are constantly inspired by their desire to learn how the world works in both developed and developing countries and how it may be changed.

# Forward

This collection of papers is the product of a conference sponsored by Westminster and Koeceli Universities. The topic of globalisation, religion and development sparked much interest and debate prompting the conference organisers to make a selection of the conference papers available in printed form. On behalf of those who attended the conference I would like to thank Dr. Farhang Morady and Dr. Ismail Siriner for their hard work in setting up the conference and in bringing this collection to fruition. The papers have been arranged in three sections: Globalisation, Religion and Development; Gender and Development; and Case Studies in Development.

The first section opens with a paper by Farhang Morady and Ismail Siriner that draws together the key themes of globalisation, religion and development. They refute simplistic notions of linear development, particularly neo-liberalism, and reject any assumption that religion is incompatible with development. They introduce a picture of a pluralistic Islam that is sustained throughout this collection. The second paper in this section by Professor Mike O'Donnell continues the theme of the relationship of religion, particularly Islam, to liberalism and modernity demonstrating how this relationship has developed differently in the United States, Britain and Turkey. Whereas the previous two papers are wide-ranging, the final paper in this section by Hoshang Noraie has a narrower focus whilst still retaining the theme of the relationship between religion and development/modernity. Noraie shows that religious leaders, notably Ayatollah Khomeini were well able to accommodate key aspects of modernisation.

The second section in this collection, Gender and Development reflects the strong interest in gender issues at the conference. Dorrie Chetty's paper on "The Exotic 'Orient' in Gender and Tourism" is an imaginative application of Edward Said's concept of 'orientalism' to the way women are often presented in Turkish tourist literature as alluringly 'exotic'. Elizabeth Water's paper traces an interesting effect of modernisation, the increasing consumption of alcohol among women in Kazakhstan. Samane Salimi-Tari's paper on women's access to higher education in post-revolutionary Iran provides an convincing illustration of an argument made in several contributions to this volume – that a religious society is not necessarily precluded from the advantages associated with modernity. On a more sombre note Sevret Alper and Hakki Cenk explore the spectrum of self-interested motives that prompt some men to domestic violence and additionally devise an exercise to illustrate the differing conditions and motivations that lead to different degrees of violence.

Sermin Sarica's paper illustrates how the AKP in Turkey achieved and has so far retained power by harnessing Islamic culture and sentiment whilst adopting broadly neo-liberal economic policies thus frustrating more socialist and secular visions of the country's future. Farhang Morady's paper focuses on the regional

rather than domestic sphere convincingly arguing that the single super-power (the United States) thesis requires serious modification in the light of the competition for regional supremacy between the increasingly powerful states of Iran and Turkey. Alexandra Kelbert argues that the resource of oil in Sudan has so far been a 'curse' in that the wealth from it has largely been siphoned off by national and international elites. She argues for genuinely grassroots action aimed at achieving a fair and democratic distribution of the oil wealth. Horacio Gago Prialé's paper maintains the theme of popular grassroots action arguing that the custom and practises generated by the self-help communities of the poor in Lima provide a basis of law distinct from the more top-down national legal system. Arzu Culhaci's paper focuses on the impact of remittances on development using Senegal as a case study. Finally, Sibel Fettahoglu focusing on the case of Turkey analyses how businesses benefit from having connections with politicians.

It is the intention of those who have led the collaboration between the universities of Westminster and Koeceli to establish a journal partly reflecting the research presented at future joint-conferences of the universities. The papers collected here are a step towards that aim which merits every success.

**Mike O'Donnell**
*Emeritus Professor of Sociology,*
*Westminster University, London.*

# 1

# Globalisation, Religion and Development

*Farhang Morady*
*&*
*Ismail Siriner*

## Abstract

*Modernization and secularization theories in the post war period have been key to the marginalisation of religion in the context of globalisation. This has changed with the domination of globalisation and religion in the area of social science since the 1980s. This article recognises the economic and political impact of Islamism, both domestically and globally. It draws together the key themes of globalisation, religion and development. It refutes simplistic notions of linear development, particularly neo-liberalism, and rejects any assumption that religion is incompatible with development. The article thus seeks to determine a course of action that encourages the social significance of religion to be recognized and handled in a constructive manner.*

## Introduction

The term 'globalisation' generally refers to increasing global connectivity, that is, integration in the economic, social, technological, cultural, political, and ecological spheres. While globalisation is not new, the processes that constitute it as a phenomenon are intensifying and being experienced in different and new ways. The processes of globalisation at work today are generally assessed by looking back to the old international economy. This includes capitalism, development, market, free trade between regions, the growth of finance and changing patterns of work, trends which have all been around for over a century.

The emergence of the study of globalisation also coincided with the resurgence of Islam, which is now the religion of about a quarter of the world's population amongst both the poorest and richest countries in the world – including Sudan, Bangladesh, Pakistan, India, Nigeria, Mali, Tanzania, Saudi Arabia, Kuwait, UAE, Bahrain, Iran and Turkey. This growth is also noticeable in Europe and North America as a result of global migration. Such revival in the era of globalisation and cultural homogensation has caused much debate

and discussion, with the Islamist revival often depicted as fundamentalist, backward, nationalist, inward-looking, radical and anti-imperialist, therefore posing a threat to secularisation and democratisation. The Iranian revolution of 1979, the end of the Cold War (1947-1992) with the collapse of the Soviet Union, the invasion of Afghanistan (2001) and Iraq (2003) and the rise of Islamists in Turkey are some of the reasons for this resurgence.

This article will consider debates and discussions around globalisation, religion and development in the Third World. Its main focus is on developing countries, in particular Turkey and Iran. It looks at some of the debates and arguments around globalisation, transformation, state and society, resources, gender as well as tourism, and considers the role of religion –whether it facilitates, hinders development or is a barrier to globalisation. It will consider how development is seen and promoted in countries such as Turkey, Iran, Kazakhstan, Peru and Sudan. Particular emphasis will be on how religion has been able to adapt to capitalism, neo-liberalism and state or international organisations such as the International Monetary Fund (IMF) and the World Bank (WB).

## Defining Globalisation

The term 'globalisation' has been subject of controversy since its emergence in the 1980s and 1990s. The study of globalisation has encouraged 'social scientists, scholars in the humanities, and even natural scientists, to leave their mark on an intellectual *terra incognita*' (Steger 2002; 19). These debates and discussions around globalisation have often been challenged by the need to distinguish whether it is a new process or one that has existed throughout history. It is important, therefore, to determine a common definition of the process among social scientists, economists and scholars in the field to accurately analyse both the positive and negative effects of the phenomenon. Globalisation has been identified broadly by three different main schools of thought: the globalists, the skeptics and the transformationalists. The globalists point to a new historical conjuncture; the skeptics dismiss this as a myth; while the transformationalists try to develop the middle ground between the other two (Dicken, 2007).

For globalists, the emergence of trade liberalization, free movement of capital and the development of information technology have facilitated the relocation of businesses across the world depending on the availability of resources and markets (Ohmae, 1995). Friedman defines globalization as the inevitable 'integration of markets, nation-states and technologies … enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before' (Friedman,1999). Supporters of globalism claim that global practices, values, and technologies are the key factors in changing people's lives (Albrow, 1997). Ohmae (1995) goes as far as

pointing to the end of the nation-state, an era of borderless society. Globalists hence emphasize the dissolution of state power, whereas the skeptics do not believe the corporations to have more power than the state.

Globalisation does not exclude the government's role in implementing liberalisation, de-regulation and privatisation as well as the ideology and politics of 'laissez faire'. In other words, this cannot just be reduced to the North-South divide or Third World countries as it embraces the whole world. Indeed, the followers of neo-liberal theory affirm that the process of globalisation cannot be resisted and is, in fact, inevitable. Friedman (1999) suggests a country must promote the private sector as the primary engine of its economic growth by shrinking the size of its state bureaucracy; increasing exports; privatising state-owned industries and utilities, and deregulating capital markets. This, would inevitably lead to wealth creation and progressive change for all. Francis Fukuyama (1992) suggests the new era as 'the end of history' through which the 'liberal idea' triumphed, leading to a new global hegemony. Fukuyama's 'End of History' (1992) declares that the only route to modernity is the neo-liberal democratic path under global capitalism which,

> *... remains the only coherent political aspiration that spans different regions and cultures around the globe. In addition, liberal principles in economics - the "free market" - have spread, and have succeeded in producing unprecedented levels of material prosperity, both in industrially developed countries and in countries that had been, at the close of World War II, part of the impoverished Third World. A liberal revolution in economic thinking has sometimes preceded, sometimes followed, the move toward political freedom around the globe* (Fukuyama, 1992: 14).

The skeptics, on the other hand, look at the comparison of international trade in the early 20th century and identify similarities to today's integration (Harman, 2009). The international character of capitalism: searching for markets around the world as well as transferring funds across state boundaries is not something new (Harman, 2010). Indeed, as early as 1848 Marx and Engels anticipated this when they pointed out, that:

> *the need for a constantly expanding market chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, and establish connections everywhere. The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country. All old established national industries have been destroyed or daily are being destroyed. They are dislodged by new industries ...that no longer work up indigenous raw materials, but raw materials drawn from the remotest zones, industries whose products are consumed not at home, but in every quarter in the globe ... In place of the old local and national seclusion we have intercourse in every direction, universal interdependence of nations* (Marx and Engels, 2010:16).

Hirst and Thompson believed that the project is about economic liberalisation that forces states and individuals to more intensive engagement with market forces (Hirst and Thompson, 1996).

The skeptics also challenge the globalists' stand on the end of nation state, believing that 'globalization is a myth suitable for a world without illusions, but it is also one that robs us of hope' (Glenn, 2007; 46). Many academics explain the perception of globalisation according to ideological belongings. Scholte (2003) stresses the importance of nation-states. For him, deterritorialization does not necessarily mean minimization of state power. He suggests that state regulation and political decision-making is crucial to a solid economic prosperity. David Held emphasises the challenges brought by political globalisation: neither the Westphalian System of Sovereignty nor the United Nations' form of global governance would be satisfactory to the needs of a globalised world. He proposes multilateral democratic governance based on Western cosmopolitan ideals (Steger 2002).

The transformationalists deny that we are currently living in a globalised world, but do acknowledge changes as the world adapts to the current conditions in which the national and international are intertwined (Glenn, 2007). According to Pieterse, globalisation is shaped by technological change, it entails the reconfiguration of states, it is uneven and associated with regionalisation. He states that 'globalization is an objective, empirical process of increasing economic and political connectivity, a subjective process unfolding in consciousness as the collective awareness of growing global interconnectedness, and a host of specific globalizing projects that seek to shape global conditions' (Pieterse,2004;16).

One of the consequences of globalisation has been the poor growth and polarisation of wealth: what Collier terms the 'Bottom one Billion' (2008). As a result, there has been major criticism of the WB and the IMF in the second half of the 1990s, especially with the Asian financial and economic crises. The reply from these institutions has been very robust, as they still believe that liberalisation, deregulation and privatisation represent the best way forward for developing countries.

The free-market ideology that has dominated the public discourse puts emphasis on the dominant criterion of maximising profits through the private sector. However, the question is whether the market will be able to provide all the social, economic and political needs of the world's people. Will a globalised market provide humanity with the principles that will form a solid future: genuine democracy, equality, freedom, participation, human diversity? What if the market is unable to deliver the basic necessities? Globalisation, as experienced in the expansion of world trade, investment and production, has not led to an expansion of everybody's wealth. Indeed, the key respects of globalisation have reinforced the unequal and uneven character of global

economic development, both between regions and countries and within countries, that is, between social classes. The intensive pressure of global competition has forced different governments, whether conservative or reformist, to adopt measures to reduce public spending on education, health and social welfare. Collier asserts that, "for the people who are living in the bottom billion, life is worse rather than better". Globalisation has transformed some areas, "the countries at the bottom coexist with the 21st century, but their reality is the 14th century: civil war, plague, ignorance" (Collier, 2007: 3).

There is considerable opposition to the view that globalisation has reshaped the world and is a malign force that represents a return to a new form of imperialism. Advocates of Dependency and the World System theory believe that globalisation represents the interests of the powerful in the world, especially the West. Globalisation, just like capitalism, has winners and losers: increasing international trade, investment and financial liberalisation does not automatically lead to global convergence. Rather, the process creates divergence, intensifying the gap between poor and rich, between the powerless and the powerful in the world order.

The Marxist view on globalisation suggests that what we are witnessing an increasing hegemonic global role of powerful states such as the USA. In this view, capitalism and economic rivalry force competing capitalist states to increase their military spending, which consequently leads to war (Callincos, 2009). While the end of the Cold War (1991) has brought an end to state capitalism of the USSR and its satellites, the US invasion of Afghanistan and Iraq represented the continuing role of imperialism and rivalries, as Washington strived to remove any potential challenge to its hegemony in the region. It follows that the US role and presence in the Middle East and Afghanistan is about outmaneuvering China, and, above all, controlling the oil supply. Kiely points to hierarchy and inequality as clear factors in globalisation that could very well lead to imperialism. According to Kiely, the Marxist school of thought on imperialism does not just consist of territorial occupation, but economic, military and political occupation as well (Kiely, 2007).

Globalisation, even if it intended to meet basic economic and political needs, has failed to deliver in these countries. One reason for the resurgence of Islam in the region is the failure of globalisation and neo-liberal policy (Morady, 1994). This religious revival has led some scholars to view Islam as a major challenge to contemporary globalisation as well as to US interests. This was forcefully pointed out in the 1990s by Samuel Huntington when he argued that the old ideology of the Cold War had given a way to new cultural clashes, a phenomenon he coined the 'clash of civilization'. While the resurgence of religion, especially Islam, is undeniable, as we have witnessed in Iran, Turkey and elsewhere in the world, this is not a return to medieval Islam.

## Religion

The obscurity of religion in general, and Islam in particular, has made it difficult to define. The religious beliefs of any society have evolved under specific socio-economic and political conditions. Such beliefs in a supernatural power - maybe a god, gods, spirits of the dead or nature - occur because it is believed that these powers in some way govern our lives. Religion is a social phenomenon and, as such, did not emerge or exist independently of the outside world: it has evolved, changed and managed to relate to the transformation in social conditions that have occurred in every society. The positions that religious individuals or leaders have had to adopt are not laid down by the religion as such, but by social forces that condition the impact of religion at any particular time. For example, in the development of Islam one can identify certain aspects of pre-Islamic philosophy and spiritual ideas apparent in the continuity of language and cultural heritage. These internal cultural identities continued to exist even after Islam was introduced. Religion can dominate the whole social being of individuals in a society; it contains not only daily ritual practices that have to be obeyed by the believers, but,

> *it also defines a community, which reacts as a community. For the believer, the dogma and the faith may be the only things that count, along with their external manifestations, the rites. But from the standpoint of the role in social life, it is the religious community that is paramount* (Rodinson, 1981: 12).

This community acts collectively in that it has leaders, and it defines and changes its internal structures as well as its external relations. The unifying aspect of religion is that it can bring together individuals from different classes, who do not know each other and practice different customs and tribes, into one community. Such a religious community unites them, giving them a sense of brotherhood, which is very similar to national feeling. Anderson describes this as an `imagined political community' (Anderson, 1986: 15). It is imagined because the individual members of even the smallest tribes and clans will never meet all their fellow members, yet they are sure that a unity between them exists. The feeling of belonging that this promotes is similar to that experienced by nationalism and can lead to the same kind of self-sacrifice and devotion. The religious community may coincide with a culture or aspects of a culture, but just as it is created, this community changes and evolves; the original ideology may be re-interpreted and revised but the core survives, often in a written form as a sacred text.

Religion takes many dimensions: it gives hope to those whose real situation is hopeless and may serve to reinforce the conditions which generate it. It can also become a weapon for the ruling establishment to sanctify their laws as God's laws (Marx, 1981). It preaches to the community of believers to sub-

mit to divine authority and, by extension, worldly power. However, religion is not simply the ally of the rulers: it can only sustain the class society on which it rests if it can maintain its hold on the minds of the people. Historically then, religion has not only acted as a bulwark of the social order, but under some circumstances can act as a revolutionary force, motivating and organising a community against the ruling authorities.

The changes in the community and the re-interpretation of the ideology are not only determined by internal social factors, for social and economic change has not occurred in isolation from the rest of the world. Religious leaders have been involved in the broader interactions of modern global history. Just as the community does not act independently, so too do the religious leaders have to concern themselves with the changes that occur in the community. Their responses will vary; sometimes expressed as being against the growth of capitalism, the emergence of industrial society itself presented as the creation of the west; at other times, religion may be used as a way to legitimize or challenge the political authority in conditions caused by modernisation. This is noticeable with the development of nationalism, anti-imperialism and capitalism. Even though they all refer to the holy book, traditions or both, these views, consensus or conflicts have to be seen in the context of society as whole and in relation to other social forces in a historical period. The common theme in all these approaches is the capacity of religious leaders to combine religious tradition with the institutions of a modern community. In concentrating on the issue of the impact of modernisation and religion, analysts sometimes attempt to superimpose the religious experience onto the western model of society.

With the resurgence of Islam, especially since the 1979 Iranian revolution, there has been much confusion amongst both Islamists and secular writers. Islamists seek to emphasise the current rise of Islam as an attempt to restore the rightful role of religion in the world by rejecting Western secular culture, and to reclaim a vision of Islamic purity (Algar, 1983). Indeed, after the Iranian revolution, Khomeini stated that 'the recent religious movement was one hundred percent Islamic and was founded by clerics alone.' (Khomeini, 1979: 33). The resurgence of Islam, as we have witnessed in Iran and Turkey, is not an attempt to return to the 7th medieval period, nor a rejection of capitalism. The rise of Islam is rather a product of the contradictions caused by the system - poverty, inequality, exclusion and marginalisation, both locally and globally. The regimes in Iran and Turkey, despite their religion, have not in any shape or form broken away from capitalist development. As such, the concept of 'modern' or 'tradition' is problematic if it does not allow any flexibility. Zubaida contextualises the state in Islamic countries when he points out,

> *Current Islamic movements and ideas are not the product of some essential continuity with the past, but are basically 'modern'. Even when*

> *they explicitly reject all modern political models as alien imports from a hostile West, their various political ideas, organisations and aspirations are implicitly premised upon the models and assumptions of modern nation-state politics* (Zubaida, 1989:ix).

Iran, Turkey and other Moslem countries have often reacted to the West via anti-imperialism and a struggle for independence, but this does not mean a return to a pre-modern existence, rather it is an 'Islamising modernity' or another way of putting it - reconciling Islam to a modern world (Roy, 2004:19). Arguably, the process of secularization has been able to incorporate Islam; for example, in Turkey, Ataturk called for national unity and Islam in the attempt to widen his support and defeat both local separatists and the outside forces of 'infidels'.

In fact, Islam remained the state religion in the Constitution of the Turkish Republic. Contrary to the view that the post-1924 modernisation in Turkey was a break in the role of religion in Turkey, (Lewis, 1961) rather as Simon Bromley points out, Islam did not disestablish from the state (Bromley, 1994).

This is more complicated as traditional classes, the rich and even the poorest groups in society, support religion. Indeed, the support Islam receives from the poor has led to the belief that this revival is progressive and liberating. As such, the Islamic Republic or AKP (Development and Justice Party) are seen as 'progressive', anti imperialist forces in the world. Whether this is true or false, it becomes important to locate the class character of modern Islamism and assess its relationship to capital and the state (Moaddel, 1993).

The desire to recreate an imaginary past involves a reshaping of existing society but this does not mean a return to 7th century Islam. Therefore, it is wrong to assume that Islam is a homogenous set of beliefs. In fact, Islam has been incorporated into different societies of peoples who managed to fit aspects of Islam into their old religious practices, even if these contradicted some of Islam's original tenets. As Abrahamian correctly suggests, it is wrong to use the term 'fundamentalism' because this implies rejection of the modern world. ' . . . ideological adaptability and intellectual flexibility, with political protests against the established order, and with socio-economic issues that fuel mass opposition to the status quo' (Abrahamian, 1993: 2).

The different interpretations naturally appeal to those from different social classes. Islamism has grown within societies feeling the impact of imperialism and capitalism, a transformation of social relations, the rise of a local capitalist class and the formation of an independent capitalist state. This is in a region, the Middle East, which now has a relatively young population. Roy (2004) points out that globalised Islam is a project aimed at conquering power in the modern state. Its supporters were going back to what they saw as the values of early Islam, but it is corrupted by its involvement with earthly

empires, and the need to push through far-reaching changes. This includes dealing with poverty, oppression and atomisation of the Third World Moslem societies. States in the region attempt to demonise different groups and parties such as in Algeria where the electoral victory of the Islamic Salvation Front in 1992 resulted in a military coup and a long civil war. In Egypt the state destroyed the militant wing of the Islamist movement with executions and mass imprisonment. In Iran, where the Islamists had taken control of the state, their rule has been characterised by factional disputes, the latest one in the wake of the June 2009 election.

According to Roy, 11 September 2001 was an attack on the symbols of corruption, it was a show of outrage against the domination of the Western powers and a reaction to the failure of the original Islamist project. Other reactions have in contrast involved reconciliation with the existing international system, for example, by a country such as Turkey. Adaptation to globalisation has taken different forms: Islamic beliefs have historically been rooted in particular societies and integrated within their distinct cultures. Globalisation has increasingly undermined traditional cultures within and outside the countries where the Moslems reside. For emigrants to the West it is important to try to maintain their old beliefs and practices, separating out the cultural particularities of the past from what they see as the true Islam. Their search for a new, universal, Islamic identity is reinforced by the demonisation of Islam. The notion of identity created by the young generation of Moslems in the West is different to the values of the societies of their parents. The young women who choose to wear the headscarf in the West do not have a desire to go back to the country of their parents. Instead they are asserting the legitimacy of their place in modern Western society.

As Roy rightly highlights, there is not one single entity determining Islamic adherents, or their behaviour regardless of the social context. Indeed the differences between the Islamic groups and organisations are apparent in all aspects: economics, politics and social values (Roy, 2004).

It is also important to recognise the class character of the Islamists. The class base of Islamism is mainly middle class with its supporters built around the traditional commercial and professional petty bourgeoisie. In general, they are hostile to the left, secularism, and in some ways similar to some Third World nationalism. Abrahamian compares Islamism with Peronism and similar forms of 'populism' (Abrahamian, 1993:3) suggesting Khomeini's radical adaptation during the 1979 revolution made him appear more radical than the Marxists. Abrahamian describes 'populism' as a movement of the propertied middle class that mobilises the lower classes, especially the urban poor, with radical rhetoric directed against imperialism, foreign capitalism, and the political establishment. For example, in countries such as Turkey and Iran with similar populations of about 75 million and increasing urbanisation reaching

69 percent and 65 percent respectively. Increasing population, urbanisation, and modernisation presents huge pressure for both the state and the opposition forces, secular or Islamists, who have to respond to these changes.

Depending on the socio-economic and political conditions, these states have responded differently to such development. In the case of Turkey, the interpretation of Islam is one that embraces the West, collaborating with the USA and the European Union. In contrast, the Islamic Republic, due to the anti-imperialist character of the revolution and the USA's unwillingness to negotiate with Iran, has adopted an anti-US stance. Essentially, both the Iranian and the Turkish states operate within the system, reconciling themselves to capitalism and development.

## Development

As with 'globalisation' and 'religion', the term 'development' has caused much debate since 1945. The term is used to understand the nature of the world political economy and its accompanying processes, usually referring to transformation, and generally progressive changes, in the 'Third World', especially since 1945. The term development is also used to describe the transformation of capitalism, changes in the economy and society under the capitalist mode of production as compared to pre-capitalism. Capitalism began in the West and later influenced the rest of the world, including the Third World. Under capitalism, urban life dominates, the majority of the population live in this sector and work in industry or services. The development of capitalism leads to the growth of modem classes of the bourgeoisie and working class (Hilton, 1976).

Capitalist development brings with it social, political and cultural changes: the modern nation state is an important part of both society and economy and, above all, everyone is born into a nation and speaks a language shared by millions of other people. The modem state involves the growth of a bureaucracy which deals with national economic planning and provides services and an army. It may also include universal education, greater technological communication networks to reach the population, and the rise of national goals as opposed to regional or local cultural orientation. Development may also include political institutions such as parliament based on some form of representation, under the framework of a bourgeois democracy.

From different perspectives, notably the opinion of most governments and multilateral agencies, development is 'synonymous with economic growth within the context of a free market international economy'. Economic growth is identified as necessary for combating poverty, 'the ability of people to meet their basic material needs through cash transactions' (Baylis and Smith, 2006: 649). The assumption is made that development refers to the social and political conditions and the 'institutions' allow endogenous self-sustained growth.

This is measured by an increase in Gross Domestic Product (GDP), which takes place in a country, usually compared to different periods or years or to other countries. It is also assumed that development leads to growth, hoping to improve economic, social and political conditions, with a decent standard of living and appropriate levels of sanitations for the population. However, there is much debate and discussion over whether GDP per se is a proper indicator of economic growth. Or whether other indicators should be used, for instance, the United Nations Development Programme (UNDP), which includes an 'indicator of human development' (IHD) as well. As a result the term development,

> *now often includes attention to basic needs such as decent health care, education, income for all, and environmental sustainability. For instance, the Human Development Index (HDI) measures development according to life expectancy, educational attainment and real GDP per capita* (Kiely, 1998: 3).

Cowen and Shenton (1996) suggest that, although the term was not explicitly used before 1945, the notion of development and its roots maybe found in the discourse of modernity and progress which goes back as far as the 18th century. In their analysis they differentiate between immanent, spontaneous development of capitalism and intentional development, planned action. Essentially, intentional development is an attempt to control or manage the contradictions caused by the development of capitalism. Different agencies including states and civil society may be involved in supervising immanent development. Take for example the intentional development action such as the Millennium Development Goals, and an immanent and unintentional process such as the development of capitalism. Considering Indian development in the last decade, D'Costa (2000) asserts that market-led growth and development is laden with contradictions as inequalities persist, thus benefiting elites in the Third World. Dreze and Sen (1995) emphasize human well-being and social opportunities as being as important as the GDP. In fact, they argue that free market liberalism has removed the basic responsibility that states have to maintain social welfare in the developing countries.

Whatever the merits of distinguishing intentional from immanent development, there are some problems as it is often assumed that the state and the market can be separated. Arguing against this, radical Marxists challenge the views put forward by neoliberals, arguing instead that it is very difficult to separate 'natural' markets from 'political' states (Dale, 2010). This can also be applied to religion: should it be treated separately from the political economy and development process? The experience of Turkey and Iran shows how religion is embedded in the development of capitalism at the present time. Both countries have been going through major transformation, Turkey's emergence as a fast-growing developing country, in the last 10 years. In the case of Iran

the state has played a pivotal role in the process of development since the 1960s. The Iranian revolution did not break the link between the oil industry and the state. On the contrary, Iran's economy has relied heavily on oil income and the industry is owned and controlled by the state (Morady, 2010).

Indeed both Iran and Turkey alongside other Third World countries have followed similar patterns of capitalist development since 1945. In the era of the Cold War (1945-92), Rostow, challenging the pro-soviet model of state capitalism, suggested his five-stage model of development, promoting capitalist development as he believed that,

> *it is possible to identify all societies, in their economic dimensions, as lying within one of five categories: the traditional society, the preconditions for take-off, the drive to maturity, and the age of mass consumption* (Rostow, 1990:4).

This was partially rejected by Third World countries (Kiely, 2007). Instead, developing countries looked to reduce their subordinated positions and dependency in the international economy by adopting ISI (Import Substitution Industrialisation), which combined state intervention along capitalist lines. This strategy was more associated with the structuralist economic work of Raoul Prebsich and Hans Singer (1950), than rooted in modernization theory (Kiely, 2007).

However, by the 1980s ISI had matured; the world recession and the need for readjustment forced Third World countries to abandon this model. After experiencing rapid growth from the 1950s to the 1970s, Third World countries, having borrowed from the WB and the IMF, accumulated a huge external debt. Most of this came from the petro-dollar in the wake of the oil price increases of 1973-1974.

The oil producing countries found themselves overwhelmed with large flows of money that they invested in international banks (Kiely, 2007). Countries like Iran, courtesy of the oil income, went through major economic development, growth of industries and huge modernisation (Morady, 1994). Turkey and Latin American countries had to borrow heavily in international financial markets to try and fulfill their ambitious growth targets. In Argentina and Chile, external debt almost tripled between 1978 and 1981 (Harman, 2009).

The crisis of capitalism and huge debt of developing countries caused major difficulties for the Third world. In Latin America as a whole, there was a 10% fall in the GNP per capita (Harman, 2009), the product of economic policy change in the USA from 1979 onwards. After the recession of 1974-5, the unsuccessful attempt of expansionary policies and the resulting crisis of confidence in the dollar (Kiely, 2007), the USA under Reagan shifted economic policy in favour of controlled inflation, implemented through higher interest rates. During the 1970s banks committed large sums of money to particu-

lar Latin American countries and by 1982 the 9 largest banks in the USA had committed over twice their combined capital basis to a handful of developing countries. With the change in US economic policy, interest rates shot up and the time allowed for a debtor country to repay their debts generally became shorter. In 1982 Mexico's announcement that it could no longer service its foreign debt marked the beginning of the debt crisis (Laurell, 2000).

The heavily indebted governments had little choice but to seek help from the Bretton Woods institutions, initiating a new phase in economic development, focused on conditionality-based lending (Jomo, 2007). At a conference in 1989, organised in Washington to consider the progress achieved by Third World Countries in promoting policy reforms since the debt crisis of the 1980s, John Williamson, an economist holding posts at the WB and the IMF, was encouraged by the transformation of some of the Third World. The Washington Consensus included various measures and policies such as fiscal discipline, reform in public expenditures, financial liberalisation, tax reform, trade liberalisation and encouragement of foreign investment and privatisation. The reforms varied from country to country and became accepted norm around the world, especially as the IMF and the World Bank began to enforce their policy on Third World Countries. IMF conditionality meant that governments had to reduce public spending; reverse land reforms, interrupt social programs, close regional development schemes and privatise national industries (Chase, 2002).

The IMF and World Bank represent the form of 'disciplinary neo-liberalism': the increased power of capital to discipline the state and labour through the implementation of policies such as the Structural Adjustment Programs (SAP). These are neo-liberal policy reforms that focus on diminishing government spending and increased competition, dominated by the interests of large multinational corporations (MNCs) and financial groups, extensively deteriorating the social conditions of the poorest people in the region. By the turn of the century, the idea of neo-liberalism had gained momentum claiming that it could provide the best way forward for the development of the Third World. Bhagwati (2004) hails the success of neo-liberalism and globalisation when he asserts the positive impact of free trade, integration of the Third World into the world economy and elimination of poverty.

China and India were the core evidence for neo-liberals as they pointed out that, 'China opened itself up to increased foreign trade and foreign direct investment in 1987.' (Khambhampati, 2004:168). Kiely challenges this and suggests that the arguments and evidence of neo-liberal globalisation are greatly overstated and that they do not reflect the experience of many underdeveloped countries (Kiely, 1995: 121).

## Globalisation and Uneven Development: Winners and Losers

While globalists such as Bhagwati point to the success of globalisation and its contribution to development, dependency theorists, as outlined above, have viewed globalisation as winners and losers, one region against the other. Another way of putting it is that the winners are the North and the losers are the South. Others, such as Rosenberg, Harvey, Harman and Callinicos, adopt a new position by emphasising the unevenness in the global political economy. The development of societies has been in coexistence with others rather than in isolation. Marx provides a useful summary of the process of uneven development as a key character of capitalism. In his writing, he states that the contradiction of capitalism is about the way in which concentrations of wealth and capital occur on the one hand, alongside poverty, on the other. In general, uneven development can relate to differential growth of sectors, geographical processes, classes and regions at the global, regional, national, sub-national and local level. Leon Trotsky, in the early part of the 20th century, analysed the possibilities of development in Russia. He rejected the idea that a human society inevitably develops through a uni-linear format, a series of 'stages'. By looking at the history of Russia he concluded that technological and scientific developments co-existed with less developed, primitive cultural forms as described:

> *A backward country assimilates the material and intellectual conquests of the advanced countries. But this does not mean that it follows them slavishly, reproduces all the stages of their past... Capitalism...prepares and in a certain sense realizes the universality and permanence of man's development. By this, a repetition of the forms of development by different nations is ruled out... The privilege of historic backwardness - and such a privilege exists - permits, or rather compels, the adoption of whatever is ready in advance of any specified date, skipping a whole series of intermediate stages. Savages throw away their bows and arrows for rifles all at once, without travelling the road which lay between these two weapons in the past. . . Under the whip of external necessity [a] backward culture is compelled to make leaps. From the universal law of unevenness thus derives another law which, for the lack of a better name, we may call the law of combined development - by which we mean a drawing together of the different stages of the journey, a combining of separate steps, an amalgam of archaic with more contemporary forms* (Trotsky, 2008: 5).

In the most advanced country there is a combination of contemporary forms – capitalist productive relations with a relatively autonomous liberal state. In less developed countries – (a less compatible combination, in some cases) there may be archaic social forma; capitalist social relations with a state form

legitimise feudal hierarchies, rather than class forces associated with capitalism. While economic development is advanced, the political superstructure has yet to be transformed.

The dynamic of capitalist relations and political forms creates a world economy that incorporates some states and regions. The relatively advanced areas impose pressure on the relatively backward through both the international division of labour and the international system of states. While Capital has a historically unique drive to expand, this is inherently uneven. It does not simply destroy all before it, but reshapes what it finds to a much greater degree than any other mode of production.

In contrast to globalists or neoliberals, there is not a 'level playing field' for all in capitalism as the global accumulation process does not lead to the evening up of economic differences. Rather, investment, concentration of markets and skilled labour is concentrated in certain regions. Capital is in a competitive environment striving to maintain its position in the market, economies of scale, investment in research and development in new technology. The market leaders and their states have competitive advantage over their competitors. Therefore, the developing countries' involvement in this process does not necessarily mean straightforward gain. The regions which have been able to benefit most from the success are likely to continue to develop further and generate even more profits. This would give them the ability to maintain a good lead in the world economy.

The emergence of developing countries such as Brazil, Mexico, South Korea, China, India and Turkey has reflected the fact that capitalism has become transnational, with the rise of manufacturing in what is known as the Third World. The transport costs and increasing role of communications, combined with various policy implementations such as investment from abroad has enhanced this process. However, this has been within different regions rather than a general pattern. It is difficult to perceive the development of China would be repeated elsewhere in the Third World.

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# 2

# Liberalism and Islam: Reconciliation in the Age of Globalised Modernity?

*Mike O'Donnell*

## Abstract

*This paper analyses the role of ideology, religious and secular, in the global context focusing specifically on the relations between Islamic and liberal systems of belief. It is argued that prior to 9/11 there was a widespread failure in the West adequately to appreciate the extent to which Islam, in various forms and locations, had become a major medium of anti-Western sentiment, particularly in relation to American and British imperialism. Although liberalism is a 'broad church' informing, on the one hand, right-wing neo-liberalism and, on the other, left-wing social democracy, it is in origin a Western ideology and not easily transplanted into more traditional societies, particularly theocratic ones. The case of the United States is the example chosen to illustrate the problematic nature of attempting to 'export' liberal democracy. This paper also discusses, mainly in the British context, the impact of liberal values and practices on migrants from more traditional societies to modern ones. Finally, Turkey is the case selected to illustrate a complex interaction of secular liberal values in an Islamic society. Despite the criticisms made here of liberalism it is argued that certain strands of liberal thought have a substantial contribution to make to an effective 'global dialogue' particularly if the distinctively liberal concept of human rights is conjoined with a socialist concept of equality.*

## Introduction

This paper analyses the role of ideology, religious and secular, in the global context focusing specifically on the relations between Islamic and liberal systems of belief. It is argued that prior to 9/11 there was a widespread failure in the West adequately to appreciate the extent to which Islam, in various forms and locations, had become a major medium of anti-Western sentiment, particularly in relation to American and British imperialism. A main reason for this was cultural myopia in the West, a failure fully to take seriously and try to understand 'the other'. Edward Said referred to this phenomenon in literature and art as 'Orientalism' (1978). However, here the emphasis is not on representations embodying assumptions of Western superiority and 'Oriental inferiority' but on how certain liberal currents of thought fed into the same illusion.

Although liberalism is a 'broad church' informing, on the one hand, right-wing neo-liberalism and, on the other, left-wing social democracy, it is in origin a Western ideology and not easily transplanted into more traditional societies, particularly theocratic ones. The case of the United States is the example chosen to illustrate the problematic nature of attempting to 'export' liberal democracy. This paper also discusses, mainly in the British context, the impact of liberal values and practices on migrants from more traditional societies to modern ones. Finally, Turkey is the case selected to illustrate a complex interaction of secular liberal values in an Islamic society. Despite the criticisms made here of liberalism it is argued that certain strands of liberal thought have a substantial contribution to make to an effective 'global dialogue' particularly if the distinctively liberal concept of human rights is conjoined with a socialist concept of equality. A distinction is made between the controversial history of the Enlightenment and the more widely accepted values it espoused – granted that it is easier to proclaim values than practice them (see Parekh, 2000; and Kaldor, 2003; for respectively broadly opposed and favourable views of the Enlightenment).

In its most simple definition ideology refers to ideas that express and attempt to explain a particular belief and value-orientation and related practice. The term is central to political science and refers to the beliefs and values under-pinning a particular political orientation, such as support for a political party or social movement. The Marxist tradition takes the view that ideology typically functions as a cover for class interest and that only in a classless society would this function become redundant. Mannheim, reflecting a reformist rather than revolutionary approach, agreed that ideologies tended to reflect 'sectional' interests but that realistically utopian ideologies reflecting whole 'societal' interests are also possible (see O'Donnell, 2010, for a discussion of this issue). Few commentators now take the view that ideas are merely a reflection of material conditions and therefore unable to contribute to their change. The relationship between ideas and social conditions is dialectical and not subject to formulaic prediction. Althusser's phrase the 'relative autonomy' of ideology (1969) captures something of this perspective within the Marxist tradition and Weber also authoritatively explored it in T*he Protestant Ethic and the Spirit of Capitalism* (2002). This paper is written from the perspective that ideas can make a difference but that to achieve the *intended* difference a knowledge of history and human psychology and behaviour is necessary (for what is still a compelling statement of this view see Freud's *Civilisation and Its Discontents* (1949; orig. 1930)

Ideology is typically characterised both by reason and by sentiment and emotion. It hardly needs labouring that the world's main political ideologies are underpinned by substantial rational argument. Nevertheless once an individual or group commits to a particular ideology a degree of emotional investment occurs: ideology becomes part of identity, particularly collective identity. This may be rewarding and satisfying but can also be dangerous (for an account of the dynamics of this tendency, see Amartya Sen's *Identity and Violence: The Illusion of*

*Destiny*, 2007). In cases where the emotion dominates and distorts the rational element, an ideology may degenerate into mere rationalisation of prejudice and/or uncompromising self or sectional interest. Nazism and Soviet Communism but also many lesser ideologies have served as vehicles for self-interest and intolerance and much worse. The potentially destructive psychosocial dimensions of this phenomenon are discussed later.

Two other key terms used here are religion and secularisation. Religion refers to belief in a spiritual dimension, usually involving the existence of a god or gods, and to various associated forms of worship. It is far beyond the scope of this paper to discuss the various claims of religions about the nature of the spiritual. Rather, the focus is on their temporal and material impact and specifically their influence on the formulation of political and social policy and institutions. In other words it is religion as ideology that is under consideration here. This is a matter of social scientific analysis rather than religious enquiry. Secularisation refers to the supposed decline of the influence of religion on social life. It is a process considered by some to have occurred widely in the West but likely to spread as the world 'modernises' (Wilson, 1982; Bruce 1995). The various formulations of the secularisation thesis are also, of course, subject to empirical investigation but secularisation, too, becomes an ideology to the extent that it is advocated as an alternative to religion (see, for instance, Richard Dawkins's *The God Delusion*, 2006).

Given that religion has emerged as a central medium through which contemporary global debate and conflict is expressed and contested the extent to which the secularisation thesis was adopted is in retrospect surprising. Part of the explanation for this lies in a substantial consensus among late eighteenth and early nineteenth century social scientists and intellectuals that modernity and particularly modern science would undermine the basis of religious belief.

## The Founders of Sociology: Modernity and the Secularisation Thesis

Much of the philosophical and social thinking of the eighteenth century Enlightenment was characterised by a secular edge, most noticeably that of the *Philosophes*. The association of scientific and social scientific progress with the decline of religion was continued in the work of the founders of sociology.

Famously Marx and Engels remarked that 'religion is the opium of the people'. By this they meant that religion mystifies subordinate classes as to the 'objective' nature of their subordination and exploitation. In other words, they regarded religion as ideologically oppressive. For the oppressed to understand their position required that they reject religion ('the world beyond the truth') as well as secular ('unholy) forms of alienation:

> *The task of history, therefore, once the world beyond the truth has disappeared, is to establish the truth of this world. The immediate task of*

> *philosophy, which is at the service of history; once the saintly form of human alienation has been unmasked, is to unmask alienation in its unholy forms. Thus criticism of heaven turns into criticism of earth, the criticism of religion into criticism of right and the criticism of theology into the criticism of politics* (Marx and Engels, extracted in Bocock and Thompson, 1985: 11).

Like Marx and Engels, Durkheim considered that in traditional societies religion unifies society although he stressed its functionality rather than oppressive effects. He emphatically believed that religion would play a much-reduced role in modern societies: 'If there is one truth that history has settled beyond question, it is that religion embraces an ever diminishing part of social life' (Durkheim in Thompson, 1985: 49). However, his concern that the decline of religion would weaken social solidarity was alleviated by his observation that non-religious communal events and rituals could also serve this same socially unifying function:

> *There can be no society which does not feel the need of upholding and affirming at regular intervals the collective sentiment and the collective ideals which make its unity and its personality ... What essential difference is there between an assembly of Christians celebrating the principal dates of the life of Christ, or the Jews remembering the exodus from Egypt or the promulgation of the Decalogue, and a reunion of citizens commemorating the promulgation of a new moral or legal system or some great event in the national life* (Ibid, 54-5).

In his later writings argued that education might fulfil a similar socially unifying function (1961).Max Weber shared Durkheim's view that religion was challenged by the march of modern rationality. He expressed this in the term 'disenchantment' by which he meant that the notion that worldly events might be caused by non-worldly beings or forces was in decline. However, influenced by the German phenomenological tradition, Weber had a sharp understanding (*verstehen*) of the psychological dimension of religion. His emphasis on subjectivity enabled him to grasp the importance of religious meanings to their adherents as well as the impact of religious ideas and movements on society. His *The Protestant Ethic and the Spirit of Capitalism* (2002) was in part a riposte to what he regarded as Marx's excessively materially reductive approach to historical change.

These three founders of sociology underestimated the resilience of religion in the modern age. One reason for this is that with varying degrees of explicitness each adopted a developmental or 'stage' view of history that tended to lead them to over-emphasize the difference between their own and previous epochs. Marx saw feudalism as giving way to capitalism, Durkheim society based on mechanical (belief-based) solidarity to organic (shared interest based) solidarity and Weber social order based on faith and traditional status giving way to rationality. The decline of religion was subsumed within the general thesis of 'the march of modernity' or, as Marx saw it, of capitalism. Of course, in many respects this

thesis was correct – their period was one of monumental change but it did not augur in 'the death of god' or religion. Weber understood this in the sense that although he thought religion would be sidelined from the public sphere in modern societies he considered that it would survive in the form of other 'irrational' belief systems (or 'gods' as he ironically referred to them) in the private sphere.

A tendency, though certainly not uncontested, to exaggerate the decline of religion increased as the social sciences developed through the twentieth century. A prominent feature of this was a failure to appreciate the potential strength and resilience of religion outside of the West. This was less a feature of the founders of sociology than of some later commentators who discussed the secularization thesis with little reference to the world beyond the Occident. In fairness, Weber and Durkheim carried out detailed comparative studies of different cultures that attempted to explain them in terms of their own internal dynamics – albeit that they also rightly saw pre-modern cultures as vulnerable to the impact of the West. Marx's global perspective was on the universally exploitative practices of capital on non-Western societies and rather less on their indigenous cultures.

If Western social theory was negligent of the potentially embedded nature of cultural differences in other societies there was a parallel lack of foresight about the interaction of indigenous Western cultures with those of immigrants to the West, particularly in respect to religious aspects. This comment applies less to the founders of sociology who wrote during a period of relatively lower immigration and when the nation state was less porous than in the current period of globalisation. No such explanation exists for the failure of many post-Second-World-War commentators to foresee some of the tensions that arose following the sharp increase in immigration into Western Europe that began well before the rise of neo-liberal led globalisation and the accompanying further surge in the global mobility of labour. Neo-liberal globalisation was largely a continuation of what had been happening throughout the post-war period when millions of immigrants often with strong faith allegiances migrated to Western Europe. Yet in Britain the secularization debate was largely conducted within narrow terms in which the potential social and cultural significance of the religious beliefs of new minorities was little understood.

## The United States: 'The End of History' as Ideological Delusion

The multi-coloured weave of liberalism is nowhere more complex than in the United States, a country founded, at least rhetorically, on the rights to 'life, liberty and the pursuit of happiness' (granted that private property ownership, including the ownership of slaves, was also seen as foundational). This section attempts to unpick the pattern of liberal influence on American imperial attitudes to Islam. America's largely uncritical belief in the superiority of its own basically liberal values contributed to a widespread failure to read the emerging

conflict with a range of Islamic states and politico-religious groups. Neither did the strength of religion in the United States generate much empathy towards Islam. A far greater proportion of the population in the United States than in Britain practice Christianity and the appeal to Christian values and tradition bulks much larger in American politics. If anything and not for the first time, religious difference appeared to fuel conflict, particularly at specific moments such as 9/11 when George Bush used the medieval term 'crusade' to describe his policy towards Al Queda.

The ascendant form of liberalism in the United States at the turn of the millennium was neo-liberalism. The right-wing neo-liberal complexion of President George Bush's cabinet made a massive military response to 9/11 highly likely. The 1991 Gulf War against Saddam Hussein in defence of the United States' puppet oil state of Kuwait was a recent precedent for successful military intervention in the Mid-East where the United States had a long-standing commercial and military strategic presence. However, in this paper I want to concentrate more on the historical context of American post-war hegemony in this region and particularly the ideological role of liberalism in energising and seeking to justify the country's post-second world war foreign policies than on the economic aspects of neo-liberalism.

The fact that the Second World War was fought, among other motives, in opposition to totalitarian Fascism ensured that liberal ideals played a part in the setting up of the United Nations in 1945 and its various subsidiary institutions. In particular the Universal Declaration of Human Rights established a template that has increasingly become not just a point of global moral reference but especially since the setting up of the International Criminal Court in 1997, a set of potentially legally enforceable principles. However, it was less liberal idealism than the ideology of national self-interest that motivated the victorious powers as they maneuvered for position in the post-war world. Politically and economically they conceded relatively little to the rest of the world. As permanentmembers of the Security Council, the United States and Britain had the right of veto that could effectively block Assembly supported military intervention by member states and exercise substantial control over its peacekeeping activity. Breton Woods established a world economic system in which the key institutions (the World Bank, the International Monetary Fund (IMF), and the General Agreement of Tariffs and Trade (GATT)) were dominated by the United States and Europe. The collapse of Breton Woods in the nineteen seventies and the subsequent triumph of neo-liberalism was led by the United States and further enhanced its global hegemony.

It was in the context of the politics of the cold war rather than through the routine work of United Nations that American liberal idealism was most frequently expressed although this was seldom divorced from an awareness of national self-interest. President Kennedy's declaration in his inaugural address

in 1961 of the United States commitment to 'defending freedom in its hour of maximum danger' may have been over-ambitious but it had a genuine ring and expressed the feelings of millions of Americans. In the same speech he referred to 'graves of young Americans' that 'surround the globe' as part of the cost of defending freedom (Guardian c.d., 2008). The liberal intellectuals that Kennedy drew on for support and credibility shared his opposition to authoritarianism. One of them, the historian Arthur Schlesinger, expressed it as follows:

> *Today, finally and tardily, the skeptical insights are in the process of restoration to the liberal mind. The psychology of Freud has renewed the intellectual's belief in the dark slumbering forces of the will...More than anything else, the rise of Hitler and Stalin has revealed in terms no one can deny the awful reality of the human impulses towards aggrandizement and destruction*(Schlesinger, 1949, pp. 279-280).

Unfortunately, such insights did not lead to the self-scrutiny and restraint among the section of what Charles Wright Mills referred to as 'the power elite' that conducted American foreign policy that might have been expected (Mills, 1956). Sometimes United States intervention did contribute to establishing or stabilising democracy, as in South Korea, but frequently its involvement in the internal affairs of other countries was driven primarily by commercial and/or strategic self-interest. The involvement of the CIA in trying to support the Shah in the post-war period that went as far as plotting to remove the country's Prime Minister is a case in point (Afkhami, 2009). Elsewhere in the Mid-East the United States typically settled for supporting authoritarian regimes in order to secure its oil supply.

The inconsistency between its professed ideals of freedom and democracy and the actual foreign policy of the United States is partly due to the conflation of political democracy and capitalism. From the Greeks to the early twentieth century Ibos of Nigeria, there have existed forms of democracy untroubled by capitalism. The confusion that political freedom and a free or, as critics would argue, largely unrestrained market system are mutual requisites characterises the whole period of American imperialism, not just that of neo-liberal hegemony. Carl Oglesby expressed the matter well in an essay published in 1967:

> *Neither America nor the Western tradition which America has brought to maturity will be rightly understood until one understands that free enterprise is ultimately a political theory, that it bases itself on an ethical premise of conflict, and that its virtue system appropriately confers esteem and privilege not upon the humane (although humanity is not precluded) but upon the wilful and relentless – the powerful* (Oglesby in Oglesby and Shaull eds., 1967: 72).

Imperialism is driven by the search for power and wealth which ideology, including sometimes religious, tends to serve. Similarly, in the case of the Soviet Union the dominant ideology of communism was used to 'justify' imperial expansion

though doubtless 'belief' in the ideology added momentum. In the United States the history suggests that imperial self-interest took the form of capitalism first and democracy second – partly because it is far easier to exploit a society than to change its culture. The likely effect on one society of exploitation by another is to kindle resistance, often of a nationalist character although, more recently Islam in various forms has spread as an ideological vehicle of resistance.

Hubris can generate a conflation in the minds of imperialists of their own culturally specific values and 'the universally true' or, at least, 'the universally desirable'. For instance, the Romans could confer no greater honour than the granting of 'Roman citizenship' and European imperialists frequently assumed a 'civilising mission' alongside their search for wealth. In the case of the United States, imperial hubris arguably reached its acme with the publication of Francis Fukuyama's book, *The End of History and the Last Man* (1992). Fukuyama believed that the spread of the Western societal model of free enterprise and liberal democracy was not only desirable but was so patently superior that it would inevitably occur thus eventually bringing to an end all other forms of society. Fukuyama's ideas dovetailed neatly with the economic and political thinking of both Bush governments.

The 'end of history' thesis had a precedent within American social theory. In the late nineteen fifties Daniel Bell published a series of articles on the theme of 'the end of ideology' republished in a highly influential book titled *The End of Ideology: On the Exhaustion of Political Ideas in the West* (1988, orig. 1960)). Bell's basic argument was that the appalling brutalities committed under the banners of Fascism and Communism has terminally discredited ideological thinking in the West, particularly in its more absolutist forms. He used the term 'orgiastic chiliasm' to indicate a similarity between emotionally and morally driven religious and political excess and argued for 'an ethic of responsibility' rather than 'an ethic of conscience' (Bell: 279-80). Bell argued that that there was now a settled consensus that Western political systems should be democratic and that running complex modern societies requires a high level of managerial expertise rather than comprehensive abstract ideological blueprints. Bell's argument was widely criticised on the American left to as a dismissal of the pursuit of value-defined political ends and so of radical change. The young New Left activist Mario Savio riposted in a celebrated speech in which he attacked the notion of what he characterised as 'the end of history' arguing that the need for radical change both in the United States and the wider world remained necessary (1968). The implication of this paper is that it still is. Ironically given the title of his book, in reviving and over-generalising the end of ideology thesis, Fukuyama failed to take note of a fundamental lesson of history that it is a mistake to generalise from the experience of one culture to another without detailed understanding. There is no reason why the particular combination of democracy and market capitalism that has developed in the United States should be regarded as universally

desirable, let alone imposed by force.

## Liberal Multicultural Ideology in Britain: 'Sleep Walking Towards Segregation'

The United States has projected its own brand of highly capitalistic liberalism to a mixed reception from the rest of the world. Britain, the second largest English speaking liberal democracy provides an example of the reverse process when substantial numbers from often significantly different cultures migrated to and eventually settled in the country. Globalisation is multidirectional and this section focuses on the interaction or relative lack of it between Britain's liberal, largely secular political and social culture and the culture of its predominantly Muslim Bangladeshi and Pakistani minorities. Specifically addressed is the anomaly of how a would-be benign liberal multiculturalism turned out to have certain unforeseen divisive effects.

The quotation in the sub-heading of this section is from a speech made by Trevor Phillips, the former head of the Commission for Racial Equality (2005) and, at the time of writing, Chair of the Commission for Human Rights and Equality. This speech was perhaps the most notable public expression of a growing body of opinion in Britain that state-led multiculturalism was having the unintended effect of to a significant extent separating and even segregating Britain's ethnic groups, including members of the majority group from, particularly, British Bangladeshi and Pakistani Muslims. This critique of state-led multiculturalism is in no sense a rejection of a concept of society embracing many (multi) cultures. However, such a society requires a strong inter-cultural dimension or, expressed otherwise, dynamic and widely shared cultural interaction between various groups. Although substantial cultural interaction occurs in Britain, especially among the urban educated, in the mainly working class residential areas of the north substantial separation between ethnic groups occurs in housing and schools. Liberal multiculturalism bears some responsibility for both this success and failure.

The policy of state-led 'multiculturalism' was formulated during the nineteen sixties and predominated during the crucial period when the second generation of post-war immigrants was growing up in the nineteen seventies and eighties. The Home Secretary, Roy Jenkins, noted for his liberalism and tolerance both personally and politically, paved the way for multiculturalism when he announced in 1966 that that the goal of policy should not be assimilation 'but rather as equal opportunity, accompanied by cultural diversity, in an atmosphere of mutual tolerance' (quoted in Saggar, 1992: 83). Contrary to his best intentions, Jenkins set in train an approach that promoted cultural distinctiveness and autonomy to an extent that encouraged separatism rather than wider communion, integration and cohesion. The issue came to centre on what might be an acceptable and practical balance between diversity, integration and cohe-

sion in one society.

There was an important difference between the racial and ethnic conflicts between the nineteen sixties and late nineteen eighties, some fuelled by serious racism of which the main victims were British African-Caribbeans, and those involving mainly British Bangladeshis and Pakistanis subsequent to the Rushdie affair of 1989. Despite a succession of increasingly robust laws to deal with racism, prejudice and discrimination persisted throughout British public and private life. The outbursts of urban disorders in the early and mid nineteen eighties were partly caused by racism although high unemployment particularly among black (mainly British African-Caribbean) and white youth was also a factor. However, these conflicts were about social justice and inclusion within the mainstream of British society whereas the later conflicts involving mainly Muslims were about nature of cultural relations between the mainstream and the Muslim minority and in particular the appropriate balance of authority between them.

The first public awakening to the presence of a group whose culture and lifestyle was substantially different to the largely secular but residually Christian majority was the 'Rushdie affair'. Although born a Muslim in Delhi, Rushdie lived on a different 'cultural planet' from the conservative mainly British-Bangladeshi and Pakistani Muslims of the northern towns who took such exception to his book, *The Satanic Verses* (1988) (see Tariq Modood, 1990). He was and is a member of a global literary and artistic elite for who virtually untrammelled freedom of expression is the milieu of their creativity and definitive of their lifestyle. Although the oblique style in which Rushdie expressed his account of the prophet's activities suggests he may have been aware that he might offend, his shock and disorientation at the public burning of his book in Bradford and the *fatwa* against his life suggests that despite his multicultural background he had seriously underestimated matters.

The British political establishment defended Rushdie's right to free expression while frequently questioning his judgement. The Rushdie affair acted as a catalyst to the expression of further tensions between the Muslim community and some among the wider British community. Writing in the *Guardian* in 1991 Chaudhary and Hill reviewed the significance of recent events:

> *But the last three years have seen Britain's Muslim communities embroiled in major convulsions of identity, going right to the heart of their role in British life and the wider world. The Rushdie affair, arguments about Islamic schools and political parties and, most recently, the Gulf War, have dragged abstract issues of social and spiritual identity down from the stratosphere and set them firmly in the discourse of everyday life. But the debate has been loud: and with it have come shifting sensibilities for uncomfortable times* (Guardian, 03.05.1991: 19).

These comments capture well an emerging atmosphere of anxiety and uncertainty about relations between ethnic/religious and secular groups. Grace Dav-

ies comments reflect on a wider horizon and prompt her to all but dismiss the secularisation thesis in the global as well as the British context:

> *Quite clearly the churches – British and otherwise – are operating within a global framework quite different from that which emerged in the immediate aftermath of the Second World War. The framework moreover continues to shift in radical and unpredictable ways. The sheer speed of events in 1989, for example took everybody by surprise; so to did the Iraqi invasion of Kuwait (August 1990) and the collapse of the Soviet Union (December 1991). Very few sociologists now deny that the religious dimension is an increasingly important factor in these shifts and in the subsequent reactions of international diplomacy. The politico -religious aspirations of the Islamic countries are perhaps the most obvious example of this shift, but it is by no means limited to the Muslim world. What Robertson calls the politicisation of religion and the religionisation of politics is a global phenomenon.Such conclusions have serious implications for the secularisation thesis; implications that first of all must prompt a degree of questioning concerning the inherent Eurocentrism embodied in this perspective* (Davie in Obelkevich and Catterall: 1994, 169-70).

Davie may have been right that by the mid nineteen nineties few sociologists assumed a single global historical trajectory in the direction of Western culture, but for Western politicians the immediate issue was to respond to resurgent Muslim states particularly Iraq and Iran (albeit that these two were rivals for regional hegemony). Despite a widespread and uneasy awareness that the above developments had initiated a complex and highly problematic period in international relations few contemporary commentators foresaw conflict on the scale of 9/11 and the Iraq or Afghan wars.

Against this domestic and international background, it is not surprising that the radical and liberal left in Britain struggled to reconcile the conservative reality of British Muslim values and practices with their own beliefs and ideas. This dilemma was intensified by the central place the concept of diversity had acquired in 'Identity Politics' that had become a strong stream of liberal thought (see Sen, 2006). The recent origin of identity politics was in the nineteen sixties and seventies when the concept of the right to self-define identity effectively served the cause of gender and race/ethnic liberation. However, the case of British Muslims challenged identity politics in two ways. Firstly, the strict logic of identity politics was to support the right of groups to substantial identity autonomy. However, there were many aspects of Muslim culture, particularly in relation to gender that British radicals found difficult to accept. Secondly at a more theoretical level the relativist logic of identity politics, at least in the extreme form that some espoused it, makes criticism of 'the other' – any 'other' - logically inconsistent. These ideological issues and the complex situation they reflected weakened identity politics in Britain. Following 9/11 a new official approach to

race/ethnic relations emerged that emphasised 'cohesion' (Cantel, 2001). Further, within the radical left, the human rights movement increasingly criticised identity politics, including state-led multiculturalism, as well as raising human rights issues in relation to Islam (see, O'Donnell, 2007).

## Complex Islam: Can Islam Be Liberal? Should It Want to Be?

The relationship between Islam and liberalism need not be antagonistic. There is enough variety in both systems of belief for relations between them to be highly diverse. As is the case with Christianity, there are numerous strains of Islam: the distinctiveness of Catholicism and Protestantism on the one hand is paralleled by that between Shi'a and Sunni forms of Islam on the other. Matters are made more complex by the recent resurgence of political Islam and the differing relationships between the politics and religion in various Muslim societies and groups. As Sayyid notes if the relationship between the West and Islam is to be understood it is important to avoid simplistic notions of 'a chain of equivalence so that Al Quaeda =Taliban= Islamism=Islam' (2005: 1). Forms of political Islam vary from the complex interaction of secularism and religion of Turkey to the anti Western jihad of Al Queda and are, in any case, subject to change.

Although some Western leaders have justified the wars in Iraq and Afghanistan as well as other incursions into Islamic territories as part of 'the war on terrorism' such explanations garner little credence among many Muslims internationally or, though perhaps somewhat more so, in Europe and the United States. As Sayyid observes the United States and Britain are not popular in many areas of the Muslim world where anti-Western sentiment is experienced as defensive rather than aggressive. References in Iran and elsewhere to the United States as 'The Great Satan' and to Britain as 'Little Satan' made look seem crude to Western ears but they convey serious anger. The reasons for this unpopularity are obvious enough in the context of the history of the Western world empires. Territories with Muslim majority populations have been routinely occupied and exploited by Western powers often at the expense of much human life. As a result what Sayyid refers to as 'Westernese' – the Western 'story' of democracy and prosperity – fails to convince many Muslims for whom 'Westernese meant the violence and inequities of colonialism' (2005: 4). The recent and current military actions and occupations of various predominantly Muslim territories is clearly seen by many of their inhabitants as a continuation of past activity.

Given the often bloody and antagonistic historical relations between the West and many Muslim societies and the overwhelmingly religious nature of the latter, it is hardly surprising that Muslim responses have often been framed within the context of Islam. These responses range from the more peaceful and conciliatory to the militant and violent and which are more or less 'correct' in terms of Islamic texts and teachings is beyond my knowledge to judge. However,

I agree with Sayyid that 'acts of terrible violence remain a threat' as long as Western powers are perceived as occupying Muslim territories or seriously interfering in the affairs of Muslim states (Sayyid: 6). However, these situations of extreme conflict do not justify the random killing and maiming of civilians by any party.

Self-interest in the form of exploiting natural resources and human labour was a prime probably the prime, motive underlying European and American imperialism. However the subject of this paper is ideology and the principle cited to justify recent incursions into Muslim territories, in addition to self-defence, has been to implant democracy. As has often been noted, Western liberal and democratic values and institutions have evolved over centuries and a main problem in trying to transplant them to other societies is that they are likely to be more or less foreign to their historical development and culture. This problem is compounded where they are imposed rather than adopted voluntarily – although in a subject society this difference may be unclear when, for instance, indigenous elites 'accept' such 'imposition' for reasons of self interest as was the case in relation to the Shah of Iran and his supporters. Perhaps the most successful example of a quasi-secular democracy developing relatively autonomously in a Muslim society is Turkey where a crucial factor was the determination of a popular leader, Kemal Attaturk, to construct a secular democracy as part of a modernising project. However, even in Turkey the interaction between the technically secular state and an Islamic society is unfamiliar to the West. This point is well made by E. Fuat Keyman (2007) and Berna Turam (2004).

E. Fuat Keyman contends that there is a 'crisis' of secularism in Turkey' as originally conceived but believes that a new balance between Islam and secularism is emerging. As Keyman sees it the crisis is a result of the limited development of a secular culture in the private and civil society domains to match the official disestablishment of religion. Keyman argues that the principle of *laicism* as introduced into the Constitution by the Republican People's Party in 1937 has not been achieved. As Keyman puts it:

> *The Kemalist elite believed that it was through a constitutionally founded and supported principle of laicism that a modern mode of social cohesion for Turkish society would be established … (Mardin, 1981: 21). Laicism for the Kemalist elite, was the main way of establishing a linkage between the objective and subjective processes of secularisation; a linkage operating from above, from state to society, with the assumption that the strict separation between state and religion and the constitutionally based control of religious activities would eventually give rise to the acceptance and dissemination of the laicist identity-formation in Turkish society, and thus to the successful realization of the process of subjective secularisation* (Keyman: 222-223).

Keyman observes that instead of laicity as envisaged in the above terms a process of sacrilization and de-privatization has developed which manifests itself

throughout economic, social and cultural sectors of Turkish society. Keyman particularly notes the effective challenge to Western based practices of 'economic Islam' in the area of medium and small-scale business activity on the basis of principles of impartiality and neutrality. Keyman concludes that not only is the revitalisation of Islam in Turkey contributing to the country's modernisation but that Turkey 'has the potential to make a significant contribution to the recent debates in Europe about multiculturalism, religious pluralism and democratic secular governance' (Keyman: 229).

In *The politics of engagement between Islam and the secular state: ambivalences of 'civil society'* (2004) Berna Turam gives a major specific example of this process. Turam also takes a positive approach to the resurgence of Islam in Turkey and the need to explore 'the prospects for democracy and civil society in the Muslim world and the need to de-center Euro-centrist notions of secularisation' (Turam: 261).

Turam goes on to discuss sympathetically the role of the Gulam movement's influence in Turkey and several neighbouring states in the context of the above issues. The Gulam movement is the largest Islamic movement in Turkey and has a strong international presence (2004). Turam states that 'the apparent goal of the Gulam is to reconcile Islamic faith and ways of life with a secular institutional milieu' mainly through activity in civil society (261). The movement embraces secularisation but according to Turam's research sees the relationship between religion and the secular state differently than is typical in the West. Religion is not envisaged as privatised within the secular state but as having a place within civil society and, like other groups in civil society able legitimately to seek political influence. Turam goes on to argue that contemporary Islamic thinkers have successfully challenged the view that secularization requires a separation of the religion from the public to the private sphere and have highlighted the public ideas and activities of Islam 'as propellants of modernity, civil society and democratization' (267).

Recent events in both Turkey and Europe prompt questions about the optimism of Keyman and Thuram. There is no guarantee that the rise of Islam in Turkish civil society will not result in a political and constitutional backtracking from secularisation. It is possible to interpret the constitutional changes made in 2010 in this way. The increase in political control over the judiciary and the army (rather ironically the historic guardian of the Attaturk legacy) supported by the Islamist governing party, the Justice and Development Party (AKP), could be seen as providing a basis for strengthening and extending political Islam. Turam's article was published before the attack of 7/7 by four fundamentalists on civilians in Britain since when attitudes towards Islam have tended to harden not only in Britain but also in other parts of Europe. While France in its interpretation of its own version of *laicite* bans the public wearing of the burka, Turkey moves towards allowing the wearing of the hijab on university campuses. A sym-

bolic as well, of course, a practical event that might trump these developments would be for Turkey to become a member of the European Community. In terms of historical significance, the ideological meaning of such a development might well be considered even more important even than the economic consequences.

## Conclusion: Ideological Dialogue: Towards a Post-Imperial World?

This paper has argued that in the post-war period liberals of various ideological hues have typically failed to understand or appreciate the resilience of other cultures and the determination of their members to retain their self-definitions and independence in the face of Western domination or hegemony. An aspect of this was a critical review of the ideological position that modernisation, democracy and secularisation, particularly the separation of state and church, are complementary and mutually reinforcing tendencies and should be promoted as such.

A 'lesson' from the wars in Vietnam, Iraq and Afghanistan appears to be that it is not practical and perhaps seldom possible to spread liberal values and institutions at the barrel of a gun. What Chomsky referred to with chilling irony as 'the new military humanism' is now discredited except in circumstances where there is a compelling human rights case for intervention (1999). The corollary to this is that if the West wants to promote its culture and institutions it should do so through communication and dialogue. Genuine dialogue requires compromise. The precise nature of any compromise will vary between nations and between a national government and cultural minorities. The conventional wisdom that nation-states should not interfere in each-others' internal affairs is sound, not simply out of respect for national sovereignty but because beyond a certain point, differences of tradition and culture are likely to prove resistant to foreign influence. However, there is no absolute rule in this matter and it is not possible to predict with certainty in what circumstances democracy will take root or how it will develop. Democracy thrived in post war Germany partly because the country could draw on a recent history of democracy and also because of the huge resources employed to stabilise it. Admittedly part of these resources was the military forces of the victorious powers. Force, of course, has been required to set up Iraq's fragile democracy. However, in this case appalling human cost of doing so and the powerful nature of Iraqi and other resistance are compelling arguments that force was the wrong approach.

The principles governing relations between nations and those between a nation and its ethnic minorities overlap but are not identical. Fundamentally, an ethnic minority must conform to national law although national law may make exceptional provision to allow for cultural difference (for instance, in Britain the law requiring the wearing of a helmet when riding a motorbike is waived in relation to Sikhs). Given this basic principle the position and treatment of ethnic communities, including their legal status, can legitimately vary between

nations. Community custom and practice does not in itself provide a basis of appeal against national law. It was argued above that in the case of Britain the dominant form of multiculturalism contributed to the opposite outcome of what was intended: community friction rather than a positive balance of community self-definition and independence and interaction with others. However, higher forms of law with, in principle, greater authority than national law exist in the form of human rights law and international law and these provide a basis of appeal against national law including on matters wholly or partly involving issues of discrimination on grounds of ethnicity. Several such cases have occurred in Britain and it is conceivable that the banning of the burka in public places in France may prompt a human rights action.

There are now compelling reasons for developing further not only international but also ultimately a global level of law and global institutions across a range of areas. A different kind of globalisation is possible. The pursuit of national self-interest, particularly in the form of imperialism, appears to be undermining the conditions of species survival through human-made climate change and ecological destruction. Equally important if we had the imagination to understand it is the huge loss of human life that has historically been the cost of nationalism and imperialism. Millions have been killed in war but millions more have also died of poverty and hunger in a world with more than adequate resources to save them and provide for a decent life. Whatever the worth of its ideals, the West must stop undermining them by its actions.

Given the high rhetoric in which the major Western ideologies are often expressed in contrast to their, at best, mixed contribution to human welfare, the conclusion must be that those who profess them are driven by something other than pure idealism. Marx thought that the relevant factor here was self-interest that he equated in its 'objective' form with class interest. The Marxist interpretation of European expansion as an exercise in bourgeois class interest dressed up for the working-class as nationalism and racial superiority fits the facts more convincingly than the notion of the 'civilising mission'. Yet clearly many from all classes indulged such self-justification. While Marx allows for the possibility of genuine cognitive delusion – that exploiters might sincerely believe they are benefiting others when they are objectively exploiting them – Freud also highlights a profound and disturbing emotional dimension to this dynamic. Particularly after the European bloodbath that was the First World War, Freud came to the conclusion that what he regarded as collective aggression fuelled by egoism could be distorted into a kind of death instinct – mindlessly destructive when it occurred on a mass scale (1949, orig. 1930). Notwithstanding Freud' warnings, the inter-war period saw extensive and sometimes grandiose ideological argument and conflict. However Fascism, particularly in Germany, and Communism in the Soviet Union and Eastern Europe turned into an object lesson of Freud's insight. It is little wonder that American liberals, particularly Jewish

intellectuals, looking on from the relative periphery came to the conclusion that the problem is ideology itself and the dangerous emotions that often underlie it. As was discussed above, the historian Arthur Schlesinger and the political scientist Daniel Bell came to this view following the second great bloodbath of the century. In the event, however, 'the end of ideology' had not arrived – even for or perhaps especially for American liberals. American domestic politics was sustained, albeit sometimes with difficulty, within a wide and usually pragmatic consensus but America foreign policy was less compromising in pursuit of markets and democracy (although the later was usually negotiable to the point of being expendable).

The three brief case studies concerning aspects of liberalism presented in this paper do not lead to the conclusion either that liberalism is a wholly discredited ideology or that a retreat into national or cultural isolation is the last, safest option. In the case of Britain the faltering of multiculturalism was due in part to the lack of cultural interaction and mutual awareness between the mainstream and the Islamic minority culture. More not less 'conversation' between liberals and Muslims was and still is needed. As far as the United States is concerned, there is a compelling necessity to find more peaceful ways taking its message to the world. America and Europe, particularly if the Soviet Union is included in the later, have been overwhelmingly responsible for the tens of millions of deaths in wars of the twentieth century. It is not an enviable record. A much more humanistic, democratic and egalitarian vision of globalisation is needed. The United Nations and the Universal Declaration of Human Rights is a starting point although despite progress in a number of areas an immense amount remains to be done, particularly in the respect of material equality and the prevention of war. In the relations between the West and Islam, Turkey stands out as a symbol of communication and hope. The hope may be fragile and even tarnished and outcomes complex and unexpected but it demonstrates that productive communication and peaceful progress is possible.

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# 3

# Globalization and Islam: Modernity, Diversity and Identities

*Hoshang Noraiee*

## Abstract

*In the context of rapid global changes and intensification of instabilities, Islam has become further politicised. Contemporary Islamic identities and political ideologies have been shaped and reshaped in response to the modern conditions. These responses have been diverse and sometimes contradictory rather than homogeneous and unitary. This article focuses on the emergence of the contemporary Islamic political ideologies and, as a case study, looks at Khomeinism as a Shia Islamist and Deobandism as a Sunni movement. It also suggests that in the context of modern structures, the level of interruption in the process of secularisation and pluralism of society, as a result of the pressures imposed by the radical Islamic movements, may be high but it is very likely to be impermanent.*

## Introduction

As an outcome of scientific, technological and rational thoughts of the 17th and 18th centuries, enlightenment emerged as a new dynamic force and changed the historical outlook. It directly and indirectly undermined traditional and religious values, which people had taken for granted and had lived with for centuries. Moreover, enlightenment posed alternatives which seriously disturbed the stability and continuity of the traditions in which people sought the guidance and assurance they needed to control and predict their future.

To understand and analyse this transformation, it seems vital to first highlight what is commonly seen as a distinguishing feature of the pre-enlightenment social relations. Giddens (1990:37-38), for instance, argues that"in traditional societies the past is honoured and symbols are valued because they contain and perpetuate the experience of generations. Tradition is a means of handling time and space, which inserts any particular activity or experience within the continuity of past, present and future, these in turn being structured by recurrent social practices". By contrast, modern societies are defined in terms of rapid, constant and permanent changes whereas modernity is an extensive and continuous process of change "in which social practices are constantly examined and reformed in the light of incoming information about those very practices, thus constitutively altering their character "(Ibid

quoted in Hall et al.1992: 278).

Therefore, enlightenment meant abandoning or moving away from a traditional mode of life by replacing it with what is considered modern, which inevitably leads to some sort of tension. For instance, traditions, particularly religious traditions, have been resistant to change but have not existed since time immemorial – whatever continuity they may have undergone. Traditions have been invented and reinvented, whether deliberately or not, and have been used as an important force in power relations in societies (Giddens 1999: 40; Hobsbwam and Ranger 1983).

The manifestation of modernity in its wider dimensions and dominant form emerged as capitalism, which has had devastating effects on traditional ways of life. The dynamics of capitalism, witnessed in its progressive industrial mode of production, were possibly captured by Marx and Engels in 1848 more clearly than by any other enlightenment thinker:

> *Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses his real condition of life and his relations with his kind* (Marx and Engels: 1848:12).

Marx and Engels, like many other enlightenment thinkers, were very optimistic about the rational and scientific ability of human beings to control their social and natural environments and to bring to an end the uncertainties that modernity and capitalism had created. They had not experienced the different forms of modernity or the resistance of traditions through a process of continuous invention and reinvention.

When traditions were so pervasive in pre- modern times, a sense of belonging to traditional forms of institutions such as tribes and religions seemed natural and unquestionable. Since there were no alternative challenging forces, seeking identity was unnecessary . Thus, identity itself appeared as a modern phenomenon when people had to defend themselves against many other competing choices (see Bauman 2005, Giddens 2000). Searching for identity was like a tool of survival for people who had lost or were worried about losing their direction in a jungle created by the collapse of "natural" boundaries which were seen as fixed , stable and continuous.

Rapid social changes from the beginning put pressure on identities in societies but not in an even and harmonious manner. The crisis of identity , in one form or another, was born with modernity, but the dimensions and extent of the crisis has intensified under the process of globalization. It seems appropriate to suggest that identities in the modern world have become "de-

centred", in other words dislocated and fragmented (Hall 1992:274; Harvey 1989:12; Laclau 1990:40). Now it has also become clear that divergence and convergence are different sides of the same process of globalization, which was previously seen as a purely homogenising force (see Held *et al* 1999, Giddens 1999).

In an increasingly globalizing world, also variously described as a "risk society" (Beck 1992 ) an "age of uncertainty" or a "liquid time" (Bauman 2007) the crisis of identities is a focal point. The consequences of this crisis are not just imagined but are real, as they have affected people's way of life in the most remote areas on the planet. Even though older identities associated with classes or nationalities have been disturbed, social divisions, inequalities and unevenness in distribution of resources have still not disappeared. Neoliberal policies, as the mainstream globalist approach in the political economy, have weakened earlier social safety nets throughout the world, deepened these fragmentations and created precarious zones of social and political crisis. Now the older divide between the rich and poor are compounded by divisions between politically stable and unstable zones (see Wright-Neville 2004; Wee 2004 ). In the context of the deepening process of alienation and social fragmentation, religious fundamentalist responses consequently received much attention among the poor people living in the zones seen as politically insecure or instable.

It would be very simplistic to explain the developments in religious fundamentalism, and especially Islamic fundamentalism, as purely cultural, psychological or ideological trends separated from some wider shifts in the area of the political economy. Here, Bauman's argument is instructive:

> *A chooser's life is insecure life. The value conspicuously missing is that of confidence and trust and so also of self-assurance. Fundamentalism (including religious fundamentalism) offers that value. By invalidating in advance all competing propositions and refusing a dialogue and argument with dissenters and 'heretics', it instils a feeling of certainty and sweeps away all doubt from the simple, easy to absorb the code of behaviour it offers. It hands over the comforting sense of security to be gained and savoured inside the tall and impenetrable walls which cut off the chaos reigning outside* (Bauman 2005:86).

The values offered and the determination to defend the "truth" in its full and absolute purity, are attractive for the dispossessed, undignified and humiliated people marginalised in a globalising world that happens to exacerbate or worsen their predicament. For those who are marginalised, fundamentalism offers promises full of hope, a sense of purpose and a meaningful life. In this respect, Islamic fundamentalism is not an exceptional case or very different from other religions. This phenomenon should be evaluated "against a background of the new global inequality and the untamed injustice reigning

in the global space" (Bauman 2005: 87).

Religious "revivalism" of political Islam has raised some serious questions about the nature and trends of Islam in terms of homogeneity and response to modernity and change. In this article I will attempt to address the following questions: Is Islam a single approach? Are the contemporary radical Islamic responses inconsistent with the process of modernization? Or are the current religious responses absolutely traditional and the relics of an ancient time, the middle ages or as far back as 1400 years ago? To provide some more concrete evidence, I will look at two case studies: Khomeini and Deobandism. I turn now to the issue of diversity and modern inventions in contemporary Islam.

## Diversity and Invention in Contemporary Islam

Contemporary Islamic societies and Islamic ideas have not been alien entities outside the "modern world" to be exempted from interactions with what is seen as "others". Moreover, changes in Islam have not taken place outside their historical contexts, that is, without influences and the pressure of the past.

Islamic institutions – like many other religious institutions – have been a stronghold for preserving traditions and creating a sense of stability and continuity of traditions. In the time of identity crisis, Islamic radical movements (however conservative in content and revolutionary in political form) have been quite successful in presenting themselves as the champions of morality who can bring back a sense of justice and fairness to communities. These groups have used traditional symbols of religion to allay people's fear, anxieties and insecurities as well as encourage them to put their faith in ideas presented as a-historical and absolute truth. In this way, they have put their own histories in an immemorial myth of the past. Further, they have attempted to build their strategies on a much romanticised "golden age" of the reign of the prophet Mohammad and his four senior successor caliphs, Abu-Bakr, Umar, Othman and Ali (by Sunnis) and only Ali (by Shias).

Given that Islam was born as a political religion (see Lewis 2004), it left symbolic resources for the contemporary political Islamic groups to legitimatise their return to the political arena and enter the public sphere again. Mohammad himself emerged as a political leader who fought wars, conquered lands and ruled an emerging empire in his own lifetime. The Quran very much reflects the policies the prophet Mohammad adopted in the context of power relations which existed in that particular historical time. It is not surprising to see Quranic verses reflecting different policies at different periods of time. Differentiation in these policies are particularly reflected in Makki and Madani verses; while Makki verses (related to Mecca) symbolise the time of weakness and lack of hegemony before migration to Medina, Madani verses (related to Medina) signify the time of strength and hegem-

onic power after migration to Medina.

A large section of Islamic political history has been shaped and defined under various Islamic political ideologies, through conflicts with Christianity and Judaism. However, it would be a serious mistake to view Islam as a monolithic, a-historical and Unitarian entity. Islam has diverged from its origin and has developed into diverse Islamic approaches which have undergone continuous invention and reinvention in the course of history. Today, as in the past, there is not one single Islam but there are many "Islams" and the differences among many of them are very deeply rooted or entrenched

Diversities and differences in Islam on one hand reflect the changes which took place in Islamic traditions, which started from the early stage of Islam when Muslims were divided into two factions – Sunnis and Shias. While Sunnis have been divided in four schools of jurisprudences (Hanafi, Maleki, Shafi'I and Hanbali), Shias have been divided into many more schools such as Twelvers, Ismailis (seven Imamite), Zaida (fiver Shia) and some other smaller groups. Nevertheless, these traditional divisions based on jurisprudences hardly reveal the deeper divisions that cross-cut classes, gender and ethnicities. It is therefore crucial not to follow the essentialist view of treating Islam as a reified and autonomous force abstracted from its social, political and cultural conditions (Halliday and Alavi 1988:1 and also see Keddie 1988). Even today the old jurisprudential divisions have been cross-cut by many Islamic movements which emerged in the recent history of Islam.

The most recent politicised Islamic groups are divided into two main approaches of Neo- fundamentalists and Islamists. Neo- fundamentalists are more radicalised and politicised forms of Fundamentalists or even those approaches regarded as traditionalist. Fundamentalists and Neo-fundamentalists include *Wahabbism*, *Salafism*, *Ahl al- Hadith, Deobandism*. Islamists include *Muslim Brethren* , *Jamaa't Islami*, *Khomeinism* (as a Shia)(see Metcalf 2004, Roy 2001, 2002). Whereas Al Qaeda is considered to be an offspring of the Islamists, particularly from Muslim Brothers, the Taliban are more connected to Deobandi Neo- fundamentalists.

Still, there exist significant differences between these groups; Islamists have developed their own systematic political agenda at a national and global level, Fundamentalists or Neo- fundamentalists have a more conservative and eclectic agenda stressing the traditional texts of the Quran and Hadith (tradition). Additionally, while Sunni Islamists have a more pan Islamist agenda and consider Shias as an ally to be included in their project, the Neo- fundamentalists have a more local or even unclear agenda based on an anti-Shia approach (ibid; see also Halliday and Alavi 1988; IICG 2002, 2003). Islamists and Neo-fundamentalists/Fundamentalists accord different levels of priorities and respond to Western culture in different ways. Islamists mostly possess a modern education and urban background; they differ by their systematic ideas, putting

more emphasis on modern developments, with a view to confront western ideologies as a priority. Fundamentalists and Neo- fundamentalists have a traditional education background and mostly perceive local and national secularism as a sign of corrupt leaders influenced by western ideologies.

All these groups are new and have emerged during the last two to three centuries. Some of them have a short history and developed during the last century. Jamaat Islami, for instance, was founded in 1941 by Abul Alla Maududi (1903-79) and was then developed further in Pakistan. The Muslim Brethren was founded in 1928 by Hassan al Banna (1906-1949) and was developed much further by Sayyid Qutb (1906-1966), while Khomienism developed in a process of political activism during 1940-1979, mainly by Ayatollah Ruhollah Khomeini. The history of Neo- fundamentalists and Fundamentalists is also fairly recent: Wahabbism ,for instance, was initiated by Mohammad Ibn Aabd-al Wahhab (1703-1792), Ahl-al hadith developed in the 19th century in India and Deobandism started as an educational Islamic approach in 1867 in India (see Metcalf, 1982, 2004; Halliday and Alvai 1988; Roy 2002). Externally, westernization and colonialism have been the biggest concern of all these movements, particularly for Islamists. As a reaction to Western secularism, these groups have adopted a different approach for engaging with modern structures and ideas. This process has influenced and shaped ideas and the outlook of these movements in the way they address new needs and challenges.

Both Islamist and neo-fundamentalist approaches consider themselves as Shria-based movements (*Ahle-al shria*), but throughout the history of Islam there has been Sufism (*Ahl al-Tariqa*) or spiritual mystic Islam (see (Akbar Ahmed 2007). Sometimes in competition and sometimes in agreement with Shria approaches, Sufism has been very influential among lay people, both among Shia and Sunnis. This approach in Islam has been less interested in politics and more fragmented and personal than Sharia-based approaches. In response to pressure by *Wahabbi, Alhadithis* and *Deobandis* in the Indian sub continent, Sufis organised themselves as "*Barelavis*". *Barelavis* have more sympathy for Shias as well as respect saints and shrines. Meanwhile, *Wahabbis, Al hadithis, Salafis* and *Deobandis* consider both Shias and Sufis as polytheists or even infidels.

Even now, each approach, among Islamists or Neo- fundamentalists, is associated with a number of different sects competing with each other. Differences among these Islamic sects are sometimes so deep that they carry out jihad (holy war) against each other, and in the name of jihad they kill their own Muslim neighbours who are seen as either heretic, blasphemous, Kafir (infidel) or the fifth column of the enemies. While they regard themselves as "true Muslims" and grant their own militant members the title of blessed martyrs, they consider the victims from rival groups as demonic damned

dogs.

It is intriguing that the number of people killed as a result of sectarian clashes, either from their own members or from other sects, as well as the number of innocent people killed in indiscriminate blasts is far greater than of those who are considered as foreign infidel enemies. More or less every day, these sectarian groups are involved in indiscriminate blasts, burning and destroying of mosques, shrines, places of worship full of Qurans and other texts they consider holy. They show little hesitation in using modern facilities and interpreting holt texts to justify their involvement in violent political acts, which they claim to be the only way of unification of the Islamic community, *ummah*. Often, these groups do not hesitate to express their ambition to bring all countries under the flag of Islamic rule.

Now, by using case studies, I will focus on Khomeinism and Deobandism to illustrate the process by which these movements emerged and how both respond to modernity.

## Khomeinism

Khomeini of Iran, had possibly much more systematic and clear ideas about the establishment of an Islamic State than many other Islamists like, for instance, Ali Shariati, Jalal Al-e Ahmad (a more controversial and half way Islamist), Nehzat-e Azadi (a constitutionally oriented Islamist linked to the freedom movement under the leadership of Bazergan and Taleqani) and Mujahedin Khalq. Khomeini never valued the Islamic ideas associated with the above mentioned Islamists, but he noted with much respect other Islamists like *Shaikh Fazlollah Nuri* and *Ayatollah Kashani* . Khomeini also had sympathy for *Fedaiyan-e Islam*, which opposed nationalist secular ideas. Besides, he never saw a connection with a much more sophisticated Islamist ideologue Sayed Jamal aL- Din Afghani (see Keddie 2004: 175-177).

As an essentialist, Khomeini believed that Muslims in Islamic societies intrinsically had the desire and willingness to live under an Islamic state implementing *sharia* law. For Khomeini, Islamism was a force "in itself" which needed to be identified and developed into a force "for itself" which meant "Islamic state". Using a paternalistic and populist language, Khomeini addressed the deprivations and hardships the poor and vulnerable people suffered from, the pressures army soldiers and officers felt, the bankruptcies and problems *"Bazari"* (traditional traders) experienced. He continuously highlighted the problems people faced on a daily basis, in forceful language, in contrast with the extravagant life of the Shah and his court and the costs of the royal ceremonies they held. But in Khomeini's populist approach, the clerics and seminary students were granted the privileged status of a vanguard force, thereby creating a class or a caste system, in the project of the Islamic state. For Khomeini, the role of the leadership of clerics in the Islamic gov-

ernment was indisputable (see Abrahamian 1993; and Halliday 2000, 1988).

Khomeini addressed people with a simple and emotional language, which has been very effectively developed in the Shia religion. After he was released from prison, for instance, he appealed to people in this way:

> *I had no information about the movement 15 Khordad until my imprisonment expired and I received the news from outside. God knows how the situation on 15th Khordad bruised me (loud cry from audience). Now that I have come here from Qaitariyeh, I see scenes with babies left fatherless (cry by the audience), young mothers lost their young sons, women left brotherless (loud cry), those with their legs cut off...these are the evidence of the civilization of the gentleman and our reactionary outlook! Pity, that we have no power; pity, that our voice does not reach the world; pity, that cries of these mothers who have lost their children can not reach the world (loud cry from audience)* (Khomeini :1352h: 9).

While people were crying and expressing their sorrow, he cleverly tried to gain political support and legitimacy for the Ulama as an integrated and essential part of Islam:

> *Islamic Ulama have nothing to bring from themselves, we have not brought a word from ourselves, whatever we say are the words of the Prophet, the Prophet quotes God. If we are reactionary, then it is clear that the Prophet of God is reactionary. If you call us traditionalist (old fashion), we have not any word from ourselves we say what God said, we say what the Prophet of God said, so you call the Prophet old fashion. Damn this modernity* (Ibid: 9-10).

For Khomeini, the nature of governments could be explained in terms of the level of their loyalty to Islam. 'Oppressive governments, their judges, their executives and their other professions are "rebellious", because they have disobeyed and rebelled against God's orders and have established laws based on their own will and performed judgement and execution of laws accordingly.' (Khomeini 1978: 116). The kind of pan Islamism he was arguing for was a political project based on a politicised Quran. The Quran, for Khomeini, was a political handbook of instructions as another prominent Islamist Sayyed Qutb believed (Ruthven2007:26). According to Khomeini, Islam was the only true way of life, as Maududi suggested (Ruthven2007:33). To justify politicising the Quran, Khomeini believed in a different nature of the Makki and Madani policies Mohammad followed.

According to Khomeini, the establishment of an Islamic state was a key factor in solving all social, economic, cultural and political issues. Protection of Islam and protection of the Islamic state had the same meaning for him. He argued that he creation and protection of an Islamic state was more important than performing prayers or religious fasting. The idea of "Vilayat-I Faqih" in the Islamic State has been the key point In Khomeini's political

ideology.

The notion of " Velayet Faqih" was regarded as a new concept, but it had been mentioned by many others before Khomeini (see Zanjani 1378h). It was a decisive break from traditional views in Shia Islam. He did not simply argue for establishing an "Islamic state" but for a state which should be ruled and guided by clerics as Mojtahed or Faqihs, acting as jurisprudents. He further contents that "kings, if they obey Islam, should follow jurists and should ask for law and order from jurisprudents and execute them. In this case, real rulers are the same jurisprudents, so governance should formally be given to jurisprudents and not to those kings because they do not know the laws and should obey the juries" (Khomeini 1358: 60). He saw the jurisprudents as the only ones who were able to "enforce Islamic orders and establish its institutions, enforce the Islamic punishment of retribution and fixed laws (Hodud and Qesas) and guard the borders and the territorial integrity of the Muslim land. To summarise, jurisprudents are in charge of enforcing all laws of the government" (Khomeini 1358h: 92).

Khomeini believed that any other type of political system was illegitimate, corrupt and extortive. In a broader sense, in Khomeini's language "corruption" implies that all secular governments are corrupt. He argued that fairness and justice could only be provided by an Islamic theocratic state. It was a challenging idea for the most traditional Shia clerics who considered justice and fairness only as characteristics of the infallible Shia Imams. They did not believe that the successors of the Imam, either religious or non-religious, could be just, legitimate or fair. Only Mahdi, the last and the 12th Imam could appear and rule people legitimately and justly. In Khomeini's view, the clerics were the only competent and legitimate force to succeed Imams and the Prophet and to rule the Islamic state directly or indirectly by using other faithful and obedient Muslims in the Islamic government.

Khomeini argued for a "global Islamic" government or a kind of pan Islamism under the rule of jurisprudents. He believed that Sharia law is a universal law which is not limited to certain boundaries: "Islamic law wants to remove all boundaries in the world by creating one country and governing all humanity under a unified law and flag. It can thus put an end to all this cannibalism (brutality) and crimes in the world" (Khomeini 1362h: 63). He further rejected nationalism, democracy, freedom, monarchism and republicanism as anti-Islamic ideas and also suggested that dividing people into Turks, Fars or Arabs was a trick by foreign enemies using "racial cards" which, he believed, was a "reactionary idea" (Khomeini 1362h: 12). Khomeini pointed out that "nationalism is a big plot" of super powers or colonialists (ibid:230) who created concepts of pan Iranism, pan Turkism "against the logic of Islam… to divide Muslims" and thus ruin Islam (ibid 31). Moreover, Khomeimi argued that nationalism was "against the instructions of God and against the

Quran", and that is has been "a basis of misery for Muslims" (ibid 32-33). After the revolution, when the bill of "Qesas" (Retribution Law) was condemned by the "National Front" and other groups, he angrily announced: "What does demonstration against the "Qesas bill mean? They invite you (people) to resist against the Quran, invited you to rebel against the Quran, to rebel against Islamic obligations… these [nationalists] are renegades, they [the National Front members] are accused of being renegades from today" (Khomeini 1362h: 52-53). This labelling served as justification for killing these so-called "heretics".

Khomeini's harsh approach towards nationalism should not be interpreted in abstraction given that since he was actually competing with nationalist secular ideologies. After the revolution, he assumed total control of the existing structures (bureaucracy, military, legislative assemblies) and used them as the basis for realising an Islamic Republic. In this way, he adopted a national political project defined, ironically, by the international structure. His ideas on the Islamic state contained some strong nationalistic elements such as Valayet Faqih, an Iranian Shia ideology. The adoption of the "Expediency of Discernment Council of the System" as well as the acceptance of Resolution 598 establishing ceasefire with Iraq on 20 July 1988 as something "more deadly than poison"[1] , but necessary to rescue the revolution, were some other elements in normalising power in the national context (Keddie 2006: 259). However, Khomeini always attacked non-Islamic governments and Western cultures, ideas and legal systems which had replaced "judicial law and the politics of Islam" (ibid).

To build a strong political network and then an Islamic state, Khomeini focused on attacking and discrediting the Iranian monarchy. In this sense, he was playing the role of a formidable and skilful politician to develop an alternative to monarchism. Khomeini used strong, insulting language against the Shah, kings in Iran and in other Islamic countries in order to belittle them and weaken their authority. He was trying to discredit their high status and thus undermine their legitimacy in the eyes of ordinary people he sometimes called "nadan" (ignorant) and so needed to be informed. These were all aimed at consolidating the prestige of Islamic ideology and ulama. He generally used derogatory language like "little man", "helpless man", a man involved in "reactionary activities" or trapped in the "middle ages", "dirty man", "blood-sucking demon" and "shameless dynasty" to describe the Iranian king. (Khomeini 1352h: 5, 7, 25, 89, 91, 92). Further, on one occasion, Khomeini's disdain for the Shah's leadership can be summed up by the following: "use tactics…consider the consequences of these policies… learn a small lesson, learn a lesson from what happened to your father" (Ibid: 6).

To justify the Islamic state as the only true political system he rejected all kinds of royalism and monarchies, as the following illustrates:

> *Royalism means robbery, it is an insult to Islam, an invasion of the rights of Muslims, a destruction of the scientific centres; royalism means attacking and damaging the Quran and Islam, burning Islamic symbols; royalism means attacking clergies and abolishing the sign of the Prophet* (Khomeini 1352h: 53).

It seems Khomeini was aware that his accusations may not have carried much weight if he failed to substantiate them by making reference to the holy text. As a result, he carefully employed some Islamic texts to support his ideas: "it is in history that the Prophet (peace upon him) said "the king of kings is the most hateful word to me"; giving the title of "the king of kings" to human beings is wrong and a hateful thing because "the king" and "the real king" is the almighty God" (Ibid 50, 57). He then went on to describe the kings as cruel: "Crimes committed by the kings of Iran from the beginning have darkened the pages of history, they have committed genocides, they have cut peoples' heads off and have built minarets from these heads, so should celebration be held for the kings?"(Ibid: 41). However, Khomeini's attacks were not confined to the rulers in Islamic countries but also included non-Muslim rulers, particularly colonial powers: "Non-Muslim rulers and kings live like infidels and animals, they eat and drink and enjoy themselves like animals" (Khomeini 1352h: 39). He found compelling reason to convince his listeners by contrasting faithful Muslim rulers from unfaithful ones:

> *Unlike a faithful Muslim whose behaviour is based on Sharia law because his strength is based on his reasons and his reasons follow Sharia, unfaithful people ,when they get the power to rule, spend the wealth of the nation on their own animalistic extravagance and pleasure and leave the nation in poverty, desperation and hunger* (Ibid: 39).

One could consequently interpret Khomeini's statement as advocating resistance towards change or a drift towards tradition. And sensing this may be the case, Khomeini himself rejected the accusation of being reactionary and anti-modern made by the Shah, and so he defended himself and other clerics. What follows captures his position:

> *Sir, we are not reactionary in a way you describe, we are not against civilization, Islam is not against civilization. Islam sincerely wants you to rule all over the world, Islam was that which drew the swords and conquered nearly half or more of the whole world (to save nations from barbarism). Is this reactionary Islam? Islam was that which brought these countries under its domination – but now you are under their domination* (Khomeini 1352h: 15).

Furthermore, Khomeini borrowed the language of the anti-imperialist leftist groups, particularly the ideas drawn from the Dependency Theory on colonialism and imperialism as the cause of misery for Muslims, especially in Iran (Khomeini 1978: 159). For him, colonialism was a means to loot resources

such as oil and mines by merely creating assembly industries that exploit the people in Islamic countries. Khomeini apparently recognised the significance of embracing ideas that would liberate, empower or enable Muslims to regain their self-esteem. And this probably explains why he highlighted the need for science: "when colonial powers became wealthy and prosperous through achieving scientific and industrial progress gained by colonising and robbing Asian and African countries", people in Islamic societies "lost their confidence and they thought that the method of industrial development is to ignore their laws and beliefs" (Khomeini: 1978:19).

That Khomeini was not purely traditional in his outlook may explain why he went as far as criticising the mainstream "quietist" clerics who were happy to promise people that they would have a good life in world beyond and who put emphasis on religious obligations, such as prayer and fasting, which he believed was favourable to the colonialists. This he did by alerting them to the stark reality: "You perform prayers as much as you want, they (the colonialists) want your oil, what do they want to do with your prayer? They want our mines, they want our country to be a market for their goods and for this reason their puppet governments stop us from being industrialised or they establish assembly and dependent industries" (Khomeini 1978:24 ). If we ignore the judicial and political dimensions of Khomeini's arguments we get some ideas close to what Frantz Fanon, Andre Gunder Frank, Samir Amin, Iranian writer Bizhan Jazani or other leftist groups have written.

In respect to science, technology and economic prosperity, Khomeini did not hesitate to express his ambitions for developing sophisticated scientific and technological industries to glorify Islam. He thus said:

> *We are not against science, going to the moon or developing nuclear technology; we do not stop at this, but we also have another obligation; we should introduce Islam, create an Islamic governance programme all over the world. Possibly, this will make the kings and presidents of Islamic countries understand that we are right and then they will obey. We do not want to take away their posts. We put those who subordinate and become loyal (to Islamic government) in charge of their countries* (Ibid: page 192).

To mobilize people further, Khomeini went as far as promising free water, free transportation, free electricity and a share in the oil money. But after the revolution, when economic hardships began to bite, Khomeini prioritised spirituality over material life more than before. He said, for instance: "I cannot believe that the purpose of all these sacrifices was to have less expensive melons" (Quoted in Clawson 2008). On another occasion, he glorified martyrdom in the following way "Could anyone wish his child to be martyred to obtain a good house? This is not the issue. The issue is another world." (Quoted in Brumberg 2001:125) On economic policies, he infamously said

that 'economics is for donkeys' (Quoted in Nasr 2006:134). Considering the degree of Khomeini's ideological tenacity and its consequences, there seem to be contradictions in Khomeini's statements, but they rather reflect a degree of flexibility in his stance to justify his political positions at different periods of time.

Politicising Islam was at the core of Khomeini's ideas; so, the protection of the Islamic political system was seen above any other religious obligation. The government was believed to be "a supreme vice-regency bestowed by God upon the holy Prophet which is among the most important divine laws and has priority over all peripheral divine orders" (quoted in Halliday 2000:139). Given this, a government designed along these lines is arguably an Islamic government, if one follows Khomeini's own interpretation. The parameters of such a government can be inferred from this:

> *One of the primary injunctions of Islam which has priority over all other secondary injunctions, even prayers, fasting and hajj [is that] the ruler is authorized to demolish a mosque or a house which is in the path of a road and to compensate the owner of his house. The ruler can close down mosques if need be, or can even demolish a mosque which is a source of harm.... The government is empowered to unilaterally revoke any Shari'a agreement which it has concluded with the people when those agreements are contrary to the interest of the country or to Islam. It can also prevent any devotional or non-devotional affair if it is opposed to the interests of Islam and for as long as it is so* (Quoted in Halliday 2000:139).

Due to external pressure from the "secular world" and the commitment to protect the Islamic state and the power of clergies, Khomeini reacted by developing an "absolute vice-regency" (*velayat-i mutlaq*) which justified a "clerical dictatorship" and legitimatized the interests of the Islamic state and its power.

A crucial step in this direction was to use "maslahat" (concept of expediency) to establish the "Expediency Discernment Council of the System" (Majma-e-Tashkhise-Maslahat-e-Nezam), a new institution under the leadership of Hashemi Rafsanjani. Moreover, Khomeini took to isolating conservative fundamentalist factions who were more committed to texts and resistant against adopting some elements of the secular world, as political Islam required. While Khomeini did not reject the adoption of some aspects of modernity[2] and was ready to accept certain changes in his policies so as to protect the Islamic state, he enforced strict rules of Sharia law in spite of their consequences and inconsistencies with international Human Rights. For instance, Khomeini defended flogging, amputation, stoning and the inferior position of women. In arguing for the role of an Islamic State, Khomeini notes:

> *The just judge is the Prophet (peace upon him). If he ordered to capture such and such a place, to set fire on such and such a place, to destroy*

> *such and such a tribe which is harmful to Islam, Muslims and nations, he would have given just order. If in such a time he does not issue the order, it will be unjust because he has not paid attention to the situation of Islam and Muslims and human beings* (Khomeini 1978: 110- 111).

The forgoing clearly shows why Sharia laws were quite strictly enforced by Khomeini's regime after the revolution. Khomeini succeeded because he reasserted the crumbling boundaries of traditional values under the pressure of modern secular cultural alternatives. In this way, he dealt with uncertainties, anxieties and scepticism which emerged and spread among the people, particularly the urban poor, who had migrated to big cities. This was achieved through a successful use of a strong reassuring and utopian language. Doubts still persisted over his performance, as general economic conditions of the population under the Shah were not as bad as some theorists have suggested (eg. Keddie 2006).

A careful examination of Khomeini's political Islam strongly indicates that it is not one-dimensional. Gray (2003) also holds a similar view and argues that Khomeini's version of Islamism was a political invention, which was radical in form but conservative in content and also consistent with certain aspects of modernity. Whenever the situation demanded, Khomeini was able to use Islamic ideology as an instrument to establish and protect the political power he gained; for he utilised the opportunity in handling the Rushdie's affair and in accepting a ceasefire with Iraq (Halliday 2000: 141). What this shows is that the representation of traditions, as something symbolic, is not inconsistent with a new interpretation of traditions to respond to contemporary needs (Halliday 2000:7). However, Khomeini and his successors have been refusing to engage with differences in religion and political ideas which are now a compelling force for pluralism in the globalising world. This has been a major dilemma in a system that clearly has the ambition to modernise and yet stresses fundamentalist dogmas which have proven to be very destructive in real life. The devastating consequences have been seen particularly in relation to gender equality, rights of religious and ethnic minorities, freedom of the press and freedom of speech.

Since the last election in 2009, Khomeinism has entered a devastating crisis. This crisis seems to run so deep that it has put the future of the Islamic Republic of Iran in doubt. The reformist Islamists have challenged some limits of the political system of *Velayat-I Faqih* and argued for a more open society and less confrontational foreign policies. But the fundamentalist Islamists have moved further towards the suppression of the reformist Islamists, who are constantly seen as a source of strife (fetneh), and have accordingly deployed all coercive resources to defend the system. This split, from above and among the high ranking cadres loyal to the Islamic system, indicates that global secular values are a very strong force which cannot be ignored. This

situation in Iran supports what Keddie had suggested before 1988; "one may say, with the examples of Zia, Numeiry in Sudan, and ultimately Khomeini and his followers, that there is nothing like having a government that calls itself Islamic to discredit Islamism" (Keddie 1988: 26). By this, Khomeini has proven to be a very shrewd leader. Now I move on to "Deobandism", a Sunni Islamic approach which developed into a political ideology for the Taliban in Afghanistan.

## Deobandism

The Deobandi movement was founded in 1867 in Deoband, a town in Uttar Pradesh in Northeast Delhi, by a number of Ulama, particularly Maulana Mohammad Qasim Nanautawi (1833-1877) and Maulana Rashid Ahmad Gangohi (1817-1899). The movement is affiliated to the Hanafi school of the Sunnis but it was a reformist invention inspired by Shah Waliullah Muhaddith Dehlavi (1703-1762) and his son Shah Abdul Aziz (1745-1823) to strengthen the power of the Ulama (see Rashid 2001:88; Metcalf 2004, 1982, ). Shah Walli Ullah Dehlavi gave preference to the Hadith who he believed was more trust-worthy than the dubious rulings by jurisprudents. It is in Ahmad Shah Abdali, an Afghan king, that he saw a potential saviour of Muslims (Hardy 1972:29).

In regards to India, Metcalf noted that "the late nineteenth century was a time of intense proliferation of institutions and schools of thought among the 'Ulama' who used new forms of organisations, financial support and communication to build Muslim communities in the context of colonial rule" (Metcalf 2004: 58). This suggests that it was a crucial time for Indian traditional schools of thought to restructure themselves, to shape their identities through defending their ideas which were taken for granted and adopted without much challenge. The pressure of uncertainty and scepticism brought about by modernity reflected the emergence of diverse competing thoughts. This pressure is revealed by the creation of specialised religious departments, 'Dar ul- Efta', and the huge number of 'Fatwas' (religious edicts) towards the end of 19th century India (ibid:63), not just by Deobandis but also by other schools of religious thought.

The Deobandi movement's ideas were shaped by challenges not only from Western colonial ideas, but also from Indian modernist religious groups, particularly the "Aligarh movement", as well as more traditional groups such as the "Barelvi movement" and the "Ahle-al Hadith". The Aligarh movement was a Western-oriented Islamic movement founded by Sir Sayyid Ahmad Khan in Aligarh, Uttar Pradesh, in order to promote a sense of Islamic identity through modern educational developments. Another movement, the so-called Barelvi movement, also originated in the same area and was founded by Ahmed Reza Khan Barelvi in 1880. This movement had deep roots in

traditional Sufi orders but had to reorganise itself under the influence of *Ahl-el Hadithi* as well as Deobandis and other anti-Sufi movements. *Ahl el- Hadith* was another movement which had already influenced and tried to radicalise traditionalists by rejecting '*taqlid*' (imitation) from all jurisprudents of the four Sunni schools as it regarded only the Quran and the *Hadith* as the authentic source of Islamic practice and behaviour. In the 19th century, Ahle- al Hadith was represented by *Nawwab Siddiq Khan* (1832-90) in India (Metcalf 2004:59; see also Hardy 1972). Members of this movement rejected all practices affiliated to Sufism and respected the work of Ibn Taimiyya (1263-1328), just as Salafis and Wahabbis did.

It might be inaccurate to regard the Deobandi movement's thinking as one that is rooted in tradition only. This was also born out by the founding of a madrasa, *Dar ul-Uloom,* which could be translated as the house of science or knowledge, The madrasa was not just a simple replica of the traditional Islamic teaching institutions but was built with the purpose of challenging or competing with modern secular education. Their vision gained even greater significance after the failure of the mutiny against the British in 1857 as ideological and educational institutions for Muslims became more attractive as a ground for the cultural struggle against secularism.

The Deobandi ideology with regards to education had practical social and political implications, too. For the transformation of organizational structure, by absorbing modern bureaucracy, was an unprecedented step in leaving behind the traditional pattern of organising and teaching (Metcalf 2004:30). This also meant that modern secular institutions initiated by the British – including Sir Sayyed Ahmad Khan's – were now adopted by the Deobandis. In the same way, they expanded the number of madrasas applying the patterns the British universities used for affiliated colleges. It is important to note that entering such a competition itself was a new phenomenon based on modern rational elements of the division of labour, professionalism, uniformity of instructions and efficiency.

Moreover, in respect to religious practices, Debandism does not seem to follow a cohesive set of values. Because it had (and still has) an affliation with Hanfi Jurisprudence but, at the same time, was not simply a continuation of it. The influence of Salafism, Ahl-e hadith and Wahabbism can be seen in the way Debandism rejected the traditional Sufi practices (*tariqah*) such as music and dance, local offering, pilgrimages and respect for saints, funeral ceremonies, citation(*zikr*), code of clothing to name just a few. While they adopted a harsher approach towards Shias, at earlier stages they still kept their links with Sufi traditions in certain areas. Strengthening the power of the Ulama was associated with the adoption and dissemination of Sharia law and a stronger request for the Islamisation of society, but not through direct and organized political activities.

So far, the Deobandi movement can hardly be seen as having a clearly defined goal. Rather, it seems to have multiple objectives. As Petrushevsky (1985) also observed: for a long period, the Deobandi movement had no clear or direct political ambitions, not even a clear intention to politicise Islam – and this was a tradition inherited by Ghazzali[3]. They were, however, active in influencing local or national Muslim rulers from above with the aim to facilitate Sharia law or support Deobandi institutions, just as they did in Afghanistan (see Rashid 2001). Furthermore, the Deobandi Ulama moved closer to politics and created the Janiat Ulama-e Hind (JUH) in 1919. This occurred amidst competition with other organisations that were politically active for the independence of India. The prominent founders of the JUH included figures such as Maulana Mahmood Hasan and Maulana Husain Ahmad Madani. This association's strategy was to adopt a non-violent approach against British rule in order to gain independence for India, which they now considered as "[their] country" (JUH 2010). The JUH's political "struggles" have been widely described as "anti-Imperialist", "revolutionary" and "freedom fighting"; and the history of their activities goes further then 1857 (JUH 2010; Tabassum 2006). It is very difficult to view the Deobandi Ulama as well as the JUH members as homogeneous groups in their intentions, objectives and the meaning of the political discourse they used. Claims to the JUH's political activities before the 1920s or during the 1857 mutiny have been received with some doubt by Metcalf (2004:271). There should be much caution in the interpretation of the concepts of "revolutionary" and "freedom fighting" as Deobandism was , to some extend, a conservative movement. It was committed to the idea of implementing Sharia law and Islamic rules which, Maulana Madani believed, could be more achievable in India than under the leadership of a modernist secular and anti-Sharia personality like Jinnah (Hardy 1972:244,see also Alavi 1988). The JUH not only argued against the creation of a separate Islamic country but also rejected the Muslim League Nationalism as a non-Islamic movement (see Metcalf 2004, Alavi 1988). Therefore, it was not very surprising that the JUH was cooperating with the Indian National Congress and Gandhi.

The concept of homogeneity often used to describe religious organisations is problematic. In 1945, when the process of independence of India and the establishment of Pakistan as a new country gained momentum, the Jamiat Ulama-i Islam (JUI) split from the JUH and was established under the leadership of Maulana Shabbir Ahmad Osmani who argued for the creation of a Pakistani State that would be potentially ruled by Sharia and not by westernized members of the Muslim League (Hardy 1972:242). Besides, Jinnah represented a nationalist movement of Muslims who wanted to create a secular Pakistani state. However, soon after the emergence of Pakistan in 1947 Islamic groups urged for the Islamisation of the constitution of Pakistan.

Initially, they had little success, but this changed once General Zia- ul- Haq came to power in 1977. In competition with Islamic and non-Islamic groups, particularly the Jamat Islami (JI) under the leadership of Maududi and the JUP (Barelavis), the JUI became more radical by using all opportunities, as Maududi and other groups did, to strengthen their power through parliamentary activities (see Alavi 1988, Metcalf 2004).

The JUI has had little success on the parliamentarian front in Pakistan but gained some success in Provincial assemblies in NWFP (now KP) and Baluchistan, particularly among the Pashtun speaking peopulation (see Pakistan Elections 2008). On a few occasions the JUI formed provincial governments in coalition with other secular or religious groups. Whenever they found opportunity, the JUI, just like other Islamic groups in Pakistan, pushed for the Islamization of society by implementing Sharia Law. It is an irony, that in order to actualise this, they made use of modern structures. Now, in Pakistan the JUI has been divided into few competing factions, among which the JUI (F) under the leadership of Maulana Fazl ul Rahman and the JUI (S) under the leadership of Maulan Sami ul Haq are by far the most important groups (see IICG 2009; Roy 2002, Metcalf 2004).

Judging from all parliamentarian elections, the Pakistani public as a whole has shown little interest in the JUI and other Islamic parties (see Pakistan Elections 2008). For instance, people have even called Maulana Fazlul Rahman "Maulana Diesel" due to his involvement in the petrol smuggling business (Metcalf 2004:276). Nevertheless, the JUI as well as the JI have played an influential role in the Pakistani power structure – particularly in regards to the military, intelligence services and bureaucracy.

Deobandis in Pakistan have also been successful in two other areas: first, in expanding a movement by creating a huge network of missionaries called Tablighi Jama't. Secondly, particularly in Pakistan, they have created a widespread network of madrasas. The Deobandi movement was originally limited to the madrasas; but later on some Ulama associated with Deobandism developed a missionary network known as the *Tablighi Jamat (TJ)*. This network was established in the late 1920s by Maulana Mohammad Ilyas Kandhlawi, another prestigious Deobandi madrasa of Mazaahirul Ulum (see Metcalf 2004, 1982, Roy 2002)). The TJ originally started to disseminate Islamic values in villages and farms where Hindu cultures were rapidly influencing Muslims. Today, the TJ missionary network is internationally established and voluntary groups try to reach individuals and spread Islamic teachings by reminding individuals about their Islamic obligations, which goes beyond madrasas and Islamic text books. Their missions are more about confession, socialisation, creating a sense of participation and also surveillance. The TJ networks have kept themselves away from politics; however, as a loose network they have no mechanism of control to stop any radical member or group from using

these networks for their own political objectives.

Deobandis have not only been successful in building a widespread network of madrasas in Pakistan, but in other countries around the world (see Noraiee 2008 on influence of Deobandi madrasas in Iran). This is quite remarkable for an organisation that had just about 30 madrasas by the end of the 19th century. Since then, there has been an upward increase as the following shows: 137 in 1947; 401 in 1960; 893 in 1971; 1,745 in 1979; 3,000 in 1988 and 10,430 in 2003 (IICG 2005:6). Latest estimates have shown that the number of madrasas in Pakistan may have reached 20,000, while formal sources put this figure at 13,500 – although only 12000 madrasas were registered in 2006 (see IICG 2007:5, CRS 2008: 5, Lawson 2005). Of these madrasas, more than 65 % are connetcted to the Deobandi network, for example, it was estimated that there are 1800 madrasas in Karachi of which 1500 were from the Deobandi network.

This sharp increase suggests that the madrasas must have been fulfilling important functions while spreading their ideas. Unsurprisingly, all madrasas recruit their students from economically deprived families and support them with food and accommodation (IICG 2007:5 and ICG 2005:6). Madrasas like the Jamia Darul Uloom in Karachi, the Binori Town Madrasa in Karachi and the Haqqanya Madeasa in Akora Khttak near Peshawar have had an important role in disseminating Deobandi ideas. Darul Uloom in Karachi , for instance, has developed into a vast residential and educational complex and now has separate departments that offer science, computer technology, economic and Islamic Banking courses up to PhD level (see ICG 2007:7). To compete with others and to gain influence, Darul Uloom in Karachi issues 30-40 Fatwas each day (ICG2007:15).

Events, however, indicate that there is more to these charitable acts attributed to this movement. Many violent sectarian groups have been ideologically associated with the Deobandi network of madrasas. For example, Sepah-e-Sahabah Pakistan (SSP), Lashkar-e- Jhangvi, Jaish-e-Mohammad, Tehrik-e-Nefaz-e-Shariat-e-Mohammadi or Tahrik-I-Taliban are just a few out of 58 religious parties of which 24 were classed as militant groups in 2002 (see ICG 2005:6 see also ICG 2002 and ICG 2007). According to the Pakistan Institute for Peace Studies, these militant and sectarian Islamic groups were behind most of the 2,148 terrorist, insurgent or sectarian attacks in 2008; these groups were are linked to 2,267 killings and roughly 4,500 people who sustained injuries in Pakistan (ICG 2009: 3).

The impact of the Deobandi network seems to have a wider geo-political dimension that stretches beyond the bounds of Pakistan. This can be understood by exploring the history of the Taliban. The emergence of a Taliban government in the second half of the 1990s in Afghanistan was an important incident which attracted the attention of reporters, politicians and researchers

who tried to analyse the causes of the rigid and repressive policies the Taliban introduced (see Maly 2001; Rashid 2001). The religious educational influence of the Taliban and their leaders manifested itself in the Deobandi network of madrasas in Pakistan, particularly in Baluchistan and the NWFP provinces (Rashid 2001:73). Arguably, the Deobandi madrasas have been important sources of ideological training , a source of recruitment and mobilization of the Taliban forces.

The Taliban emerged as a brutal force against women, Hazara as Shia (a Shia minority in Iran and Afghanistan) and cultural heritage; they were even intolerant of some modern phenomena such as photography, television and cassettes. Ironically, at the same time, the Taliban were extremely interested in strengthening the power of the state based on modern structures, maintaining a modern diplomatic institution like the Foreign ministry as well as having a seat in the United Nations (UN). Now, they have moved even further by using DVDs, the internet and national rhetoric to mobilize people (see Metcalf 2004, and ICG 2008). During the National Anniversary ceremony, for instance, Mullah Omar released the following announcement:

> *The 88th anniversary of independence comes at a time when Afghanistan, once again, has returned back to the colonisation of those occupying forces, as a result of which our houses are destroyed, our children are orphaned, our brave and courageous combatants are either martyred very ruthlessly or are sent to jail* (quoted in ICG 200:21).

The ideological sources of the "Taliban phenomenon" should not mask other crucial economic and social problems that Afghan people, both in Afghanistan and in Pakistan, were facing. After the collapse of the secular communist regime of Najibullah, the Mujahedin that were an amalgamation of religious Islamists, Neo-fundamentalists, traditionalists, Wahabbis as well as non-religious groups, ethnic warlords and tribal leaders, were too fragmented to have any clear idea about building a new strong state. They were involved in bloody sectarian clashes against each other and controlled their own areas by intimidating, looting and harassing the residents. The impact of a narco- Kalashnikov culture on the daily life of Afghan people dashed all their hopes for security and prosperity. Under such condition of fear, desperation, insecurity and poverty, the Taliban started to build their power very quickly in a reasonably coordinated way and through support from the Pakistani ISI as well as the Saudi Arabian and other gulf countries' agencies and governments (see Rashid 2001, Maley 2001, Davis 2001). Taliban leaders – who had studied in Deobandi madrasas – did not inherit a clear idea of building an Islamic state. So, they used the modern structures in a very ad hoc way (cabinet, government departments, representation, new technology etc.) guided by their interpretation of the Hadith and Sharia law.

## Conclusion

On the basis of the evidence provided, it can be suggested that there is no single or monolithic Islam and possibly never has been. What is unexpectedly different now is the level of politicization and political competition between different Islamic groups in different historical and socio-economic contexts.

The most recent Islamic movements, based on fundamentalism, neo-fundamentalism and Islamism, are new inventions reflecting the crisis of traditional Islamic societies in response to the needs modernity (and globalization) has imposed. In the process of these political challenges, these new conservative Islamic movements have shaped and defined their ideologies by adopting the Islamic symbols of the past and absorbing values which are modern.

Not only the pressure coming from scepticism, uncertainty and the erosion of previously "fixed "social boundaries but also the failure of the national secular governments in addressing economic insecurity and poverty have created a fertile ground for radical Islamic movements to grow and to adopt harsh and inflexible policies in order to create a sense of assurance, conviction and strength. These dogmatic and conservative forms of consolidating power show their limits by rejecting pluralistic values which are regarded as the most pervasive features of modern global societies.

The Politicising of Islam, particularly where it can enhance access to power, may be the most powerful catalyst for further secularisation of the traditional Islamic societies rather than protecting traditional non-secular values. In political competition, these movements have taken different directions to justify all means for gaining and protecting their power. In this way, they had to secularise their own values by using existing structures and by even breaching the most sacred obligations recognized by Islam. The conflicts they are engaged in not only highlight the limitations of fundamentalism in pluralist conditions but also reflect the marketization of the ideas they represent under competitive market pressure.

## Notes

1. About 2 years before accepting the UN Resolution, Khomeini said in a famous message delivered by Karrubi that Iran was close to "absolute victory" (13366 h:33) and about to "conquer the key world strategic points" (sangar) (ibid:31). He also claimed that all super powers were empty "card boxes" (ibid 24). In his message, he strongly rejected the idea of peace and pointed out that "leaving a big nation, a country and a school of thought half way to victory, is a treason to human ideals and God's Prophet" (Ibid:39).
2. A researcher at Qom seminary has argued that, "modernization of societies as a whole is an inevitable and irreversible phenomenon , it does not

matter if we want or not, we face more and more modern issues every day; so, it is necessary to understand the relation between religion and these issues." (Haqiqat 1378 h: 73) .

3. Imam Malik, an influential jurist and founder of Maleki school, believes, "One hour of anarchy is worse than sixty years of tyranny." (quoted in Akbar Ahmad 2007:6).

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# 4

# The Exotic "Orient" in Gender and Tourism

*Dorrie Chetty*

## Abstract

*This paper analyses a selection of tourism material promoting Turkey as a tourist destination, focusing on how the exotic and erotic 'Other' is produced and consumed as part of the processes of tourism production and consumption. Many factors affect gender relations in the tourist industry and it is argued here that the production and consumption of material produced for the promotion of tourism play a significant role in re/creating and perpetuating gender power relations. Representations examined from the tourist literature defined Turkey and its people in oppositional terms to the West, within a dominant Orientalist discourse, which I argue serve to maintain hierarchical power relations. Using Edward Said's concept of Orientalism, the paper discusses the ways in which Turkey, its people and its culture are re-created at once and the same time both as mysterious, exotic and desirable - as well as potentially dangerous and to be feared. Gender is considered as a crucial issue as it is clear that an important aspect of tourism encourages the commoditization of culture and tradition, and the ways in which women and men 'sell' their traditions are gendered. Furthermore, I argue that gender is an important factor in relation to Turkey's membership of the European Union*

## Introduction

This paper is a product of the first part of a two-stage research project examining the cultural and structural consequences of tourism on gender power relations in Turkey. The first stage of the research - the subject of this paper - is concerned with the ways in which Turkey and its people are represented in tourism promotional material. It is argued that the language and images used to promote Turkey depend on a fantasy of an 'eroticized' and 'exoticized' Orient which has been created in the Western mind and is rooted in the Orientalist era of the 18th and 19thcenturies. Such promotional material, whilst being inviting to potential tourists, maintain Turkey as a 'different other' and fixes the country and its people in a primitive past – in contrast to the modern scientific world to which the invited guest belongs. Though seemingly innocu-

ous in their primary role of attracting tourists, I argue that the images and language used are also a source of subliminal messages about Turkey, thereby reinforcing perceptions of a mysterious exotic world full of Eastern promise. It could be argued that such representations are not necessarily harmful – and I would agree with this point of view at face value. However, representations are not value-free and it is clear from the selection of the material examined, that promoting Turkey as a tourist destination work within dominant discourses whereby power relations are maintained through the re/creation of oppositional binaries of East and West and male/female. Furthermore, the images and language used stress oppositional differences between tradition and modernity, thereby maintaining Turkey in a traditional past – in contrast to modern Europe. I argue therefore, that the ways in which Turkey and its people are portrayed in tourism material, in the longer term, impact negatively upon the country and its people. This impact in turn can crucially affect its potential membership to the European Union – though given the numerous obstacles and lengthy negotiations, whether or not this membership is still sought by Turkish people is another issue.

A selection of tourist brochures and websites were therefore analysed, examining the extent to which the fantasy of the Orient is re-created in promotional material advertising Turkey as a holiday destination. Edward Said's work on Orientalism was crucial in understanding contemporary representations of the East in tourism material, and how 'the Orient' is a construction of the Western imagination. The work of Reina Lewis and Ann McClintock added the gendered dimension occluded by Said's focus on East/West/power relations. Stuart Hall's explanations on stereotyping and Fanon's discussion on self and 'the Other' were key to exploring further how western knowledge becomes part of dominant discourses, and importantly how perceptions and qualities attributed within dominant discourses are powerfully enduring. Said talks of a manifest and 'latent' Orientalism where the former is described as a conscious body of knowledge and the latter as fantasy and fear used at once by Orientalists. These contradictions and ambivalence are discussed further within the psychoanalytical framework of Homi Bhabha's concepts of disavowal and mimicry and McClintock's feminist perspective of these concepts. The works of Gayatri Spivak and Cara Aitchison were helpful in considering the potential of subaltern agency in an attempt to facilitate a voice for Turkish people and counter Orientalist discourses.

A selection of material for the promotion of Turkey as a tourist destination was analyzed within the framework of the above mentioned theorists. Whether in the shape of brochures, billboard advertising or tourism websites, it was found that all the promotional material contributed to the re-creation of Turkey as the 'Exotic and Erotic Orient' fixed in a 'primitive' world. The language and images used to appeal to the potential holiday maker, for ex-

ample of local Turkish people travelling in animal drawn carts, emphasized differences between the United Kingdom and the tourist destination. The dominant imagery used focused on 'authentic' traditions and ancient sites of Turkey as tourist attractions, using a gendered language of exploration and adventure, all of which stressing the differences between the local hosts and the potential tourists of a modern world. My interest in this research arose as a result of the popularity of Turkey as a tourist destination amongst the British people, and my own visits to Turkey, both as a tourist and for academic purposes. Before proceeding I wish to acknowledge my position as a feminist from a British ex-colony now residing in the United Kingdom.

## Context

Despite concerted efforts at promoting equality of rights and opportunities by feminist movements, governmental and non-governmental organizations, it would seem that gender inequalities remain persistent in the domestic as well as the public sphere. For example, in the UK the gender pay gap indicates the prevalence of inequality between men and women. The latest statistics show evidence of a reduction from 12.2% to 10.2 - and this was deemed worthy of coverage by the media and a cause for celebration by some (ONS 2010). It seems clear that we continue to live in a patriarchal world - and the tourist industry is no exception. There are two main reasons why gender power relations in Turkey need to be considered: 1) Firstly the increasing importance of the contribution tourism makes to the development of a country and importantly the number of women employed in the industry, and 2) Secondly, due to its strategic position geographically and historically, Turkey is playing an increasingly important role in the global political economy and is fast becoming a major destination for global tourism. Previous research clearly indicates that the tourist industry is a major employer of women, and although the number of women and their percentage of the workforce in tourism vary greatly between countries, where tourism is a more mature industry, women generally account for around 50% of the workforce worldwide.[1] It is clear therefore that the potential for women's participation in the tourist industry cannot be neglected, particularly as it offers various opportunities for independent income generating activities. With increasing participation of women in the public world and potential economic security and independence, the gendered aspects of tourism and the impact of tourism on gender power relations are important to an understanding of the contribution of tourism to the development of a country. However, to date, much research on has focused mainly on the contribution of tourism to the country's economic development, though, with more recent developments in eco tourism, the literature has also considered issues of sustainability and environmental damage. Crucially, despite some negative impacts, tourism generates employment

and enables some members of the population to move from the domestic or informal sector to better paid jobs in the formal sector (Sinclair 1998: 38). Economic relations in the tourist industry cannot be separated from power relations and these work on several levels. It is therefore important to consider how economic changes brought about through the process of tourism impact upon power relations, not only between host and guest countries, but also between men and women.

The 2002 United Nations Environment and Development UK (UNED-UK) project report on gender and tourism indicates a broad increase in the participation of women in the tourist industry at a global level, and specific countries including Turkey are highlighted as driving this increase. Despite the increase indicated, there appears to be scant research specifically focusing on the impact of tourism on Turkish locals and their views – and nothing to date on its impact on gender power relations. Turkey's income from tourism topped £14.4 billion in 2008.[2] It is a key source of foreign currency to the Turkish economy and much of Turkey's Aegean and Mediterranean coasts are dependent on the sector, which saw receipts rise 18.5 percent in 2008 to $22 billion or 3 percent of gross domestic product. Statistics show that more than 26 million tourists visited Turkey in 2008.[3] Furthermore, tourism in Turkey seems set to increase even further, and there are also plans for Turkish tourism investors to make a total investment of 24 billion US dollars in Turkish tourist industry by 2023, the 100th anniversary of the country.[4] Given such significant contribution of tourism revenue to the Turkish economy, as indicated above, we can also assume an increase of women's participation in the tourist industry generally. The second stage of this research is therefore seeking to find out from local women and men how tourism impacts upon their lives, in particular the extent to which it has impacted on gender power relations and family structure. Some research has been conducted on perceptions of Turkish locals which revealed their views on the economic impacts of tourism, such as an increase in the cost of land and housing, an increase in prices for goods and services, and more job opportunities for local people (PerverKorca 1996:697).[5]The research focused on the views of locals on the impact of tourism, but their views regarding its impact on gender relations and family structure were not sought. In contrast Apostolopoulos *et al* consider how women are affected differently by tourism depending on their structural and cultural positions (Apostopoulos *et al* 2001).One of the main problems in researching the gendered aspects of tourism in Turkey is a lack of specific statistics on the participation of Turkish women in the Turkish tourist trade. There may be some data available in Turkish of which I may not be aware, but this seeming lacuna in English is significant, as there is ample evidence in other countries, for example those of the Caribbean, where women's lives in destination communities are significantly affected by the tourist industry. Research on the

effects of the tourist industry on men and women in Turkey is particularly valuable as the impact of tourism on the host population differs from country to country depending on their own structural and cultural relations. However, there are some common universal aspects which are associated with gender power relations which need to be examined.

Due to patriarchal norms, gender stereotypes and traditional gender roles play a crucial part in why women and men tend to pursue different occupations in the tourist industry, thereby perpetuating horizontal and vertical segregation of labour markets (Levy and Lerch: 1991)[6]. It is unsurprising as the picture resembles what goes on in the wider labour market. Employers seem to have no qualms in justifying the exploitation of perceived feminine characteristics and skills for commercial needs and see this as normal. They can thus capitalize on women's transferable skills by virtue of their domestically and culturally acquired skills, justifying minimum investment in the education and training of women employees. This is problematic as it maintains the status quo of inequalities between men and women, culturally as well as structurally. As Scott in Apostolopoulos *et al* argue: "Women's choices with regards to tourism employment are circumscribed both by their individual qualifications and experience, and by the social and cultural pressures which apply to women working in the leisure field." (Scott, in Apostolopoulos *et al* 2001:132). Early observations in Turkey indicate clearly that cultural pressures combine with structural pressures to perpetuate horizontal and vertical segregation of labour markets along gender lines, and this is clearly problematic with regard to inequality issues. Interestingly, although gender stereotypes and traditional gender roles are the most prominent reasons why women and men occupy different positions in the labour markets, this problem seems to be global and is the case in most cultures - resembling each other rather than being culturally specific.[7] I would nevertheless maintain that there are specific cultural and structural issues that come into play for Turkey which are worth discussing. Judging by women's visibility as cleaners and cooks, it would seem in Turkey that women's traditional domestic roles have been capitalized upon to work in the tourist industry. It has to be noted however, that despite the possible perpetuation of gender segregation based on gender stereotypes and traditional gender roles, there may be positive aspects to facilitating women's labour participation in the tourism workforce based on their traditional roles, as it builds their confidence in their ability to perform the work. Furthermore, participation in tourism not only contributes to decreasing individual and household poverty, but can also alter the gendered structure of work and decision-making within the wider community. There is evidence to show that women who had previously felt themselves to be devoid of status or power, gained increased standing and esteem within society (UNED-UK Report 2002). Thus it seems, that despite the limitation of employment options for women in the tourist

industry, there are advantages to be gained. Some writers argue that work in the tourist industry offers women a more favourable working environment than back breaking agricultural or domestic work, and gives more opportunity for its workers to control their own lives, compared to the domestic and agricultural sectors (Levy and Lerch 1991). In addition to employment existing research has revealed some important issues which need to be considered. For example, an important point made is that if women's productive as well as reproductive roles were taken into account this would greatly improve their opportunities in the tourist industry. Furthermore, instead of offering unstable and limited economic options for women the tourist industry could potentially play an important role in enhancing women's economic and social future. These are some of the issues that will be explored later, empirically through interviews with local residents in Turkish tourist resorts.

The steady increase of tourists travelling to Turkey has led to increased employment in the Turkish tourist industry, and this has inevitably brought some changes locally, including changes to women's lives. Apostolopoulos *et al* for example point to the impact on skills and education. Apparently many vocational schools increasingly prepare young women to enter the tourist industry as entry-level employees in hotels and restaurants and as tour guides and translators. They also note that, women in Turkey are increasingly involved at a higher level, as consultants, managers and entrepreneurs. Furthermore, unlike more restricted Islamic countries, many women in Turkey are employed in family run businesses, for example in restaurants, hotels and small bed and breakfasts. With regard to travel, which is a necessary part of working, it would seem that Turkish women living in major centres such as Istanbul, Ankara or Izmir have greater freedom to travel around than previous generations of women, or those living in rural areas. Culturally therefore, and increasingly politically, I argue that in Turkey tourism offers opportunities to women that differ markedly from other world tourist destinations, thereby offering an interesting perspective on gender power relations. The impact of tourism isn't limited to employment opportunities and patterns, but also affects more generally the leisure industry and cultural entertainment. An important aspect which has impacted on local culture is the participation of younger Turkish women in the leisure industry as consumers, for example dancing, eating out, etc. However, as pointed out by Apostolopoulos *et al*, such women tend to live in urban centres and the authors also remind us that women's behaviour in the Middle East are determined by their societies, cultures and how strictly Islam is interpreted.

The status, treatment and behaviour of women are important and controversial factors, given Turkey's endeavours to belong to the European Union whilst at the same time encouraging Islamic Tourism. Significantly, European social, cultural and political values include the status and treatment of women

in society. As Turkey is a country in flux socially, culturally and politically, it is extremely valuable as a case study of changing power relations, especially as there have been recent press reports that the Turkish government seems to be encouraging islamization of tourism.[8] Presented above is the context within which this research has been developed. However, before examining the impact of tourism on Turkish locals, it is necessary to consider the representations of Turkey that have circulated globally, as the consumption of tourism starts with the promotional literature, which I argue have been part of a dominant western discourse. With this in mind, the analysis starts with a selection of promotional material used in the UK to promote Turkey as a tourist destination.

## Tourism as a Form of 'Modern' Orientalism

The structural outcomes of tourism will be discussed further upon completion of the second stage of this research. Here I set out some key concepts to illustrate the power relations involved in representations of Turkey. Using Edward Said's critique of Orientalism as a framework I demonstrate how power relations are maintained within representations of Turkey in tourism material. I discuss how stereotypes are re/created thereby reproducing the Exotic and mysterious Erotic 'Other' as part of the tourist attraction. Edward Said's *Orientalism* (1978) was seminal to the work on postcolonial theories. He argued that an analysis of the politics of Western ethnocentrism must begin with questions of representation. To him, a set of representations fabricated by the West effectively became the 'Orient' and determined our understanding of it. Moreover, the prestige and diffusion of science became part of the process of neo-colonial domination of the non-European marginalized communities. Thus science itself is viewed as the discursive element of colonial domination, discrediting and replacing knowledge and cultural practices originating from marginalized communities. In reconsidering his original work, Said critiques the Eurocentric bias used in the portrayal of the diverse communities outside Europe and demonstrates the deep complicity of academic forms of knowledge with institutions of power:

> The challenge to Orientalism and the colonial era of which it is so organically a part was a challenge to the muteness imposed upon the Orient as object. Insofar as it was a science of incorporation and inclusion by virtue of which the Orient was constituted and then introduced into Europe, Orientalism was a scientific movement whose analogue in the world of empirical politics was the Orient's colonial accumulation and acquisition by Europe. The Orient was therefore not Europe's interlocutor, but its silent Other. (Said1985:93)

## Power, Representations and Stereotypes

Power relations permeate every aspect of our daily lives and experiences. Power plays an important role in the process of representation and it is clear that the production and consumption of tourism promotional material involve power relations. Turkey's past and present relationship with the west and its status and position in the global arena of politics and economics is imbued by power relations. Although Turkey has never been ruled under a western colonial power, it has been perceived and represented within a dominant discourse which defines the country, its culture and its people as homogeneous and 'Other' - in opposition to European countries, their people, cultures and values. The economic-cultural nexus is pivotal to the selling of the 'Other', in the form of exotic food and culture, guaranteed sunshine and unexplored territory. Therefore the advertising used in selling Turkey as a tourist destination to the British public depends on depictions of the country, its people, its culture and its history in a recognizable and appealing way. An examination of promotional tourism literature targeted at the British public, whether in textual or visual imagery, reveals the extent to which representations of Turkey are framed within a dominant framework of dominant discourses of Orientalism, as presented by Edward Said. Flicking through any holiday brochure in the UK, or clicking on any tourism related website demonstrates the ways in which Turkey is perceived by the British public. It seems clear that power relations in representations of Turkey, its people and its culture play a significant role in the circuit of tourism consumption.

The concept of 'Other' has been used by many thinkers to explain the subconscious nature of power relations. Originally used by Hegel who saw "Other' as a constituent in self-consciousness, Simone de Beauvoir later used the concept to explain how woman is defined as the 'Other' in relation to man, and Edward Said in his work on *Orientalism* applied the concept in particular to discuss the political, economic, social and psychological implications involved in the process of 'Othering'. Said discussed how 'The Orient' was constructed as the mirror image of 'The Other' onto which was projected undesirable characteristics, and in the process served to define the West in opposition. Such a process of 'Othering' has been maintained in the tourist industry where it plays a significant role in particular with regard to gender power relations. Two of the strongest imageries used for the promotion of Turkey are that of a 'delightful mix of eastern and western cultures' or as 'the bridge between the East and the West'. Both depictions highlight differences between the East and the West and play on the fantasy of the 'Orient' in the western mind. It is a fantasy which depends on the construction of the 'Orient' as the 'Other' – significantly different from the west in culture and values – whilst at the same time being temptingly desirable in its 'exotic' attraction.

Such fantasy is re/created through the use of stereotypes which serve as a short cut to our understanding of the world.

One could argue that the process of stereotyping is inevitable, as stereotypes help us to reduce our cognitive load and make sense of our complex world. Stereotypes function by creating categories in our minds through the process of classification and simplification. Crucially however, through this simplification process of classifying and categorizing, on a social and cultural level, stereotypes also construct 'Otherness'. Stuart Hall explains how stereotyping is part of the maintenance of social and symbolic order, and how this process sets up "a symbolic frontier between the 'normal' and the 'deviant', the 'normal', and the 'pathological, the 'accepted' and the 'unacceptable,' what 'belongs and what is 'other', between 'insiders' and 'outsiders'" (Hall 2003:258). As Hall discusses, in their simplifying process of categorizing and classifying people, objects, places, etc. that are not within our realm of experience, stereotypes of 'Otherness' are created and significantly are perceived as different and deviating from our cultural and social norm – thereby also acquiring a status of 'deviance'. Both Hall and Said discuss how the process of 'Othering' and the definition of 'the Other' as deviant result in a definition of the West as superior and 'normal'. Given the predominance of imagery in the promotional literature examined, which stress difference in cultural values of Turkey and its people, for example in dress, food, mode of transport, etc…, contrast is clearly evident between Turkey and the United Kingdom, leaving the reader with dominant perceptions of an 'ancient' Turkey and its 'primitive' people. Such constructions may seem harmless enough and possibly irrelevant, as the tourist is seeking 'difference' for pleasure. However, this difference also constructs the 'Other' and is constructed within a western valued hierarchy. The tourist is thus defining her/his self in opposition to the 'Other' within a dominant discourse which assumes western superiority, albeit at a subconscious level. The process of 'Othering' which re/creates the fantasy of the Orient is clearly visible in material promoting tourism in Turkey.

Turkish tourist literature showcases the country's inviting turquoise sea, historical sites, smiling belly dancers, and so on. Longing to escape the dreary unpredictable weather of the United Kingdom and northern Europe, the average sun-seeker will not be considering how those beautiful images and their accompanying text function to attract her/him. However, what I argue here is that the role of representations and stereotypes play a crucial part in our understanding, and consequently, the treatment of other cultures. Albeit occurring at a subliminal level, the impact of 'Othering' upon power relations nevertheless cannot be dismissed as unimportant. Whilst it could be argued that such issues may not be of direct concern to potential tourists selecting a holiday destination – over and above factors such as guaranteed sunshine, cost and comfort – a dominant Eurocentric discourse which sees the rest as 'Oth-

er' runs through tourist literature and this serves to perpetuate framework of representations serve to perpetuate power relations. Ironically, in the search for pleasure and relaxation it is precisely such 'Othering' which enhances the pleasures ought by some holiday makers. What cannot be neglected however, is that the promotional material produced and consumed to advertise Turkey as a tourist destination acquires meaning within what Said called a dominant discourse of 'The Orient', which involves a process of 'Othering' whereby the holiday maker from the west is defined hierarchically in opposition to 'the Other' in Turkey.

## The 'Exotic Other'

It is clear that generally the tourist industry functions within a colonialist discourse of exoticism of places and of people. A discourse of adventure, dominant during expansion of European empires, including metaphors used during that era to describe 'Other' cultures encountered by the West, are very much in circulation in the tourist promotional material. In the material examined glorious images and accompanying text reading for example *"…boasts a world-class marina where leisurely days and perfect evenings can be whiled away sipping cocktails and watching the world (and luxury yachts and gullets) go by..."* (Olympic Holidays April-October 2009). Such imagery are strongly reminiscent of colonial days when colonialists would sip their 'sundowners', whilst overlooking their vast acquired property, and surrounded by servants at their beck and call. Although Turkey was never a colony of Great Britain, the subliminal messages work along the same lines. Not unlike depictions of holidays in previous colonial territories such as the Caribbean, the lifestyle promoted by tourist literature relies on stereotypes re/created within a discourse of 'Other' and in the case of Turkey, the exotic and erotic 'Orient' additionally comes into play. This is discussed in more depth in the section on Orientalism. Within this cycle of production and consumption of tourism material the exotic 'Other' is re/created, thereby maintaining representations which establish *distance* and *difference* between 'us' in the UK and 'them' abroad – the 'West' and the 'Rest' as discussed by Stuart Hall. Furthermore, in defining other cultures as different within a dominant western discourse, this inevitably leads to perceptions of the 'Other' as not simply different, but also as *deviant* and *inferior*, thereby maintaining the diametrically opposed perception of the West as 'superior' and 'normal'. Significantly it is not only western tourists who are affected as guests by such representations, but also the host country and its citizens as hosts. In Fanon's *Wretched of the Earth* he discusses how enduring perceptions and qualities attributed are perpetuated:

> *The colonialist bourgeoisie, in its narcissistic dialogue, expounded by the members of its universities, had in fact deeply implanted in the minds of the colonized intellectual that the essential qualities remain eternal in*

> *spite of all the blunders men may make: the essential qualities of the West of course.* (36)

Fanon's words above explain in a way that resonates with Foucault, demonstrating how western knowledge becomes part of a dominant discourse. Perceptions of Self and the 'Other' become part of the dominant discourse - without an understanding of the power relations involved in the creation and dissemination of knowledge. The above quote illustrates how European discourse gains power and becomes dominant. To Fanon, such knowledge gains authority not just in the minds of Europeans, but also in 'colonized' minds. I'm arguing therefore that tourist literature, innocent as it seems in its depiction of beauty and pleasure, is rooted within a western dominant discourse, in which 'Othering'is a significant process which maintains power relations.

Not only is Turkey produced and consumed as the exotic and erotic 'Other', but in this cycle of production and consumption it is clear that gender power relations also play a central role in re-creating and/or re-negotiating what Cara Aitchison has identified as the social-cultural nexus of cultural tourism (Aitchison 2001). Various feminists, such as Simone de Beauvoir, mentioned above, saw gender as an important aspect in debates about the 'Other'. Anne McClintock, another feminist concerned with gender power relations, in her work on fetishism, critiques the ways in which psychoanalysts such as Sigmund Freud and Jacques Lacan have denied women their agency. Not unlike, Simone de Beauvoir, McClintock demonstrates how woman has been positioned as 'Other' - without agency: "Identified inevitably with the realm of the Other, women are the bearers and custodians of distance and difference but are never the agents and inventors of social possibility."(McClintock 1995:193). The ways in which women are denied agency in representations, in addition to the gendered metaphors used in tourist literature combine potently in the tourist industry to maintain unequal power relations. In general, Turkey is consistently described as 'unexplored territory, full of Eastern promise', with nostalgic resonance with discourses of 'The Orient', which I elaborate below. The potency of representations lies in its function at a subliminal level and a close examination of tourist brochures and travel writings on the country revealed an abundance of gendered metaphors used for promoting places and people – which inevitably impact upon its readers. Furthermore, as explained by Swain: "…tourism, as leisured travel and the industry that supports it, is built of human relations, and thus impacts and is impacted by global and local gender relations" (Swain in Aitchison 2001:134).

It is clearly evident in the tourist literature how discourses of 'The West vs. the Rest' intersect with gendered discourses in ways that perpetuate existing power relations. Not only do such discourses serve to reinforce culturally determined gender roles and stereotypes, but significantly working on several levels and at different intersections of discourses, representations, these dis-

courses also serve to reinforce power relations by keeping the tourist destination as a distant 'Other'. I'm arguing therefore that tourist literature, in their representations of Turkish culture, not only reinforce cultural differences - which are gendered - but these differences have important political and economic implications. As mentioned above, Turkish women are predominantly portrayed as erotic belly dancers dancing behind transparent veils hinting at a tantalizing sexuality full of Eastern promise. The 'erotic other' is a common phenomenon in tourism, often promoted as part of the tourist consumption, albeit covertly. What is particularly worthy of further exploration in the case of Turkey – as compared for example with the Caribbean or South East Asia - is women's conspicuous absence or sometimes invisibility in the public sphere – other than the above mentioned belly dancers. From initial observations it is the men who, in their roles as waiters, tour operators, drivers and so on who are in contact with the tourist public. Clearly this situation is related to traditional cultural and religious gendered norms of the country. However, as indicated earlier, the context of Turkey as a tourist destination is in a state of flux. Not only is the tourist industry growing fast and is a key source of foreign currency to the Turkish economy, there is evidence that this has led to local changes in women's lives.[9] My main concern lies with the ways in which tourism affects the daily lives of men and women at a local level and in particular the extent to which changes brought about by tourism affect local gender power relations on a social, cultural, economic and political basis. It is clear that gendering occurs at several levels, and my focus in this project is with the ways in which the Turkish tourist industry is a powerful cultural circuit of gendered places, people and cultures. However, the impact of this gendering doesn't start at the tourist destination but much earlier on in the consumption cycle - with promotional depictions of Turkey, its culture and its people.

I argue more extensively in the next section that contemporary depictions of Turkey are strongly rooted within Orientalism. The images of Turkey portrayed in promotional material are reminiscent of Orientalist paintings of harems and Turkish baths – conjuring up visions of the exotic and mysterious Eastern promise, hidden behind tantalizingly transparent curtains or veils. Since events of 9/11 however, the 'romantic' signifiers of the East have now been transformed into contradictory and controversial signifiers of 'Islamic' terrorism. Another dominant image often portrayed, not only in tourist literature, but also in cinematic film and documentaries, is that of a busy bazaar peppered with an explosion of colours on the market stalls, leading to dark mysterious alleyways where 'shady' deals are being conducted – all conjuring a sense of mystery and danger. Such vivid imagery arouses the senses in the reader/spectator, whereby s/he feels the intense heat, smells the strong aromatic spices mixing with exotic perfumed petals and is almost deafened by the cacophony of riotous competing noises, often including the snake charmer

playing his oriental instrument. Such evocations, though subjective do not arise in a vacuum. My own senses were awakened by the promotional images in a particular way, as a woman, not unfamiliar to Eastern customs and values, but nevertheless living in world dominated by western discourse of the East. How are such powerful images conjured up in our minds and where do they come from? As pointed out by Edward Said, this is an image of the East which has been re/created within the orientalist movement in the western imagination – which has produced knowledge as 'truth' and 'reality' and prevented the people of the East defining themselves. My analysis of promotional material is thus framed by Edward Said's concept of Orientalism.

## The Roots of Orientalist Fantasy

It's clear that contemporary representations, as those used by the tourist industry are rooted in imperialist and Orientalist discourse. A major influence on our perceptions of the East – and in particular the Middle East, as argued by Said - originates from Orientalist paintings such as those of Delacroix, Gerome, and Lewis - as well as from romantic stories of western travellers exploring the East, particularly in the 18th and 19th centuries. However, the fantasies and obsessions of the Orient are not confined to the past. There is evidence of the lasting effects of Orientalism in everyday contemporary living, particularly as globalization processes have facilitated the transaction of goods and movement of people to and from different parts of the world, including the Middle East. In contemporary Britain for example in recent years the pashmina shawl has become an essential fashionable item, available in a variety of colours and sold cheaply at most street corners in London. There is also an enduring taste for Oriental carpets, lanterns and other oriental artifacts to be found in the average middle class home, readily available in fashionable bohemian London markets such as Portobello or Camden, or having been brought back as souvenirs by tourists. In addition, recently shisha bars have mushroomed in many trendy parts of London frequented by the fashionable youth. Clearly Orientalism has had a long lasting impact upon British cultural life. Another source of our ideas about the Middle East originates from tales such as the *Arabian Nights*, which have also played their part in our perceptions of the East. [10] As noted by Lynne Thornton, despite the spiritual essence of these folk tales, it was the theme of sexuality, love, violence and guile that caught the imagination of the western mind. These stories and other similar ones have left the west with an impression of the East as poetical, erotic as well as violent.[11] Representations of the 'exotic Orient' had appeared in Western art from antiquity, but by the 18th century fantasies of the 'Orient' were firmly imprinted in the western imagination.[12] Such fantasies of the Orient spread throughout western Europe and Orientalism became an influential movement, in particular in France, Germany, Italy - as well as England. An

example in England of such Orientalist obsession is recounted by Thornton. She describes how Beckford, an extremely rich collector transformed his Fonthill Estate in Wiltshire into a Turkish palace for a lavish Oriental party. Another English example of such Orientalist fanaticism and influence is the way in which Lady Mary Wortley Montagu introduced Turkish dress in England, with other high society ladies then following suit.[13] Significantly, Lady Montagu who had travelled to Turkey complained about the distortion of her travel accounts to a Turkish bath. In her accounts she describes bath scenes where the behaviour of the women was deemed 'quite proper'. Painters such as Ingres however insisted on producing an imagery of sex and excess, which were part of the fantasies of the Orient much treasured by Europeans (Lewis 2003). Through the cited above examples it is evident how potent were the fantasies about The Orient in the 18th century western mind and also demonstrate the gendered nature of power relations in representations.

Said points to the ways in which sexuality has been used in relation to the Orient in literature: "Woven through all of Flaubert's Oriental experiences, exciting or disappointing, is an almost uniform association between the Orient and sex." (Said1985:17) However, due to his homogeneous approach, he has been accused of being gender blind, whereas Reina Lewis for example in *Gendering Orientalism* discusses women's roles in imperial culture and discourses. She analyses women's involvement in Orientalism through, for example literary works of George Elliot and the works of women artists such Henriette Browne. Giving women agency, Lewis challenges the masculinist assumptions of the stability and homogeneity of the Orientalist gaze (Lewis, 2003). Another challenger to the masculinist discourse of Orientalism is MeydaYegenoglu, who analyses the patriarchal/sexist and colonial/imperial discourses, demonstrating how in the case of Orientalism, the discourses of cultural and sexual difference are powerfully mapped onto each other. To her therefore it is imperative that the production of colonial difference is analyzed simultaneously with the production of gendered and sexualized difference. (Yegenoglu1999). Furthermore, as argued by Ann McClintock: "The Orient was feminized in a number of ways: as mother, evil seducer, licentious aberration, life-giver."(McClintock 1999:124).[14] McClintock's work demonstrates the contradictory representations of the Orient, which I would argue is reflective of the ambivalent nature of the East/West cultural and political relationship. The gender perspective is imperative in any analysis of tourist promotional literature, as it is clear from the promotional literature advertising Turkey that the imagery used operates within dominant discourses of western imperialism as well as Orientalism. Through the abundance use of gendered metaphors such as 'virginal beaches', 'unexplored territory' and 'paradise, all waiting to be explored and exploited by the western visitor, power relations maintain hierarchical positions not only between East and West but also between men

and women.

In her review of cultural geography and its impact upon leisure studies Cara Aitchinson considers the relationship between spatiality, gender and sexuality.[15] Referring to Swain she argues that any feminist analysis of tourism must necessarily include a critique of gender relations in the production and consumption of tourism activities and images and not just in relation to employment. Aitchison shows how space, place and landscape, including those of leisure and tourism are not fixed, but are in a "…constant state of transition as a result of continuous dialectical struggles of power and resistance among and between the diversity of landscape providers, users and mediators." (Aitchison 199: 29). This is important with regard to our discussion here, not only with regard to power relations, but also significantly because of the sense of agency implied in such struggles. History cannot be rewritten, but a feminist analysis offers at least a disruption to the 'common sense' thinking derived from the imperialist, Orientalist male gaze. The 'virginal beaches', the 'exotic cuisine', the 'breath-taking natural beauty' and so on are indeed major attractions highlighted in the promotional brochures - as are Turkey's historical sites and I do not wish to undermine the significance of Turkey's rich history, and the generous hospitality offered by its people. However, it is clear that in the process of 'selling' Turkish history to potential tourists, in addition to the inherent binary opposites which exist in the construction of the 'Other' as discussed above, there is a further danger of confining the 'Other' to the 'primitive past' and her/his history, in opposition to the 'modern, advanced' western world – an argument advanced by writers such Gayatri Spivak and Lata Mani.[16]I discuss below how such atavistic depictions could inhibit Turkey's development, economic growth and the country's status within the European Union. The construction of Otherness is clearly pivotal to the consumption and production of tourism and in representations of locals as authentic and indigenous they are also portrayed as passive and grateful, thereby negating the hosts' agency. In this context the 'Other' becomes a powerful symbolic signifier which is both distant and deviant, but crucially also fantasized and desired. The concept of Otherness in representations is far from straightforward, and the ambivalence with which the west represents other cultures needs to be highlighted as this process is a major contributory factor to the strength of its persistent circulation.

## Conclusion - Contradictions and Ambivalence

What Said doesn't discuss explicitly but which undoubtedly plays a role in the reading of representations, and in this case Turkish tourist literature, are issues of fantasy, desire and the unconscious. Said talks of 'manifest' and 'latent' Orientalism where he sees the former as a conscious body of knowledge and the latter as fantasy and fear used at once by Orientalists. He doesn't

however engage further with the contradictions which he presents though he does acknowledge these as inherent in Orientalist discourse. Various writers have taken upissues of conflict, contradictions and ambivalence. HomiBhabha, argues that the West presents the Other as 'at once an object of desire and derision'. To writers such as Robert Young, such equivocation is an indication of the ways in which "…colonial discourse is founded on an anxiety, and that colonial power itself is subject to the effects of a conflictual economy." (Young1990:142). Whilst Said discusses an evident vacillation between the western romantic fantasy about the delights of the East and the fear at its strangeness and novelty, Bhabha refers to a recognition and disavowal, analogous to Freudian's theory of sexual fetishism. McClintock on the other hand takes a gender perspective to Bhabha's psychoanalytic approach to 'disavowal' and 'mimicry', which she considers as a specifically female strategy. She contests that Bhabha ratifies gender power in a way that makes masculinity the invisible norm of postcolonial discourse by ignoring gender difference, whilst she also takes issue with Irigaray who she sees as ratifying the invisibility of imperial power by ignoring racial difference (McClintock: 1995:64/5). Though, with nuanced differences such writers are clearly taking a psychoanalytical approach to understanding dominant discourses. Bhabha refers to the structures of desire in psychoanalytic terms, but does so outside the structures of sexuality, focusing instead on the use of psychoanalysis as a means to reading the ambivalence in operation within the processes of colonial authority. Both structures are required and it's clear that both are at play in tourist literature where the ambivalence and contradictions discussed above are in evidence in their use of representations of Turkey. Turkey and what it has to offer is depicted in a seductive way as exotic and desirable, but at the same time as deviant, mysterious and therefore potentially dangerous. The images and text used to represent the country's people, historical sites, monuments, etc. are clearly part of a discourse of Orientalism that treats the Orient using signs to signify exotica, sensuality and luxury. However the same signifiers can also be interpreted within a dominant western discourse as barbarism, deviance, unpredictability and alien. The latter signifiers are manifest in western political discourses of Turkey's application for European Union membership. The impact of discourses goes beyond the cultural - permeating into the economic and political spheres of life.

For an understanding of the intersecting layers and the complexities of Orientalist and imperialist discourses we should perhaps turn to Gayatri Spivak who argues that analyses of discourse shows history to be more than disinterested production of facts. Instead she regards it as a process of 'epistemic violence', an interested construction of a particular representation of an object, which not unlike Orientalism, is entirely constructed with no existence or reality outside its representation. She sees history as a narrative writ-

ten from the perspective and assumptions of the colonizing power. Using the Gramscian term 'subaltern' to indicate marginalized groups, Spivak argues that the subject people are ignored and she also maintainsthat the imperialist project hasn't come to an end (Spivak 1990).As mentioned before, Turkey has not been colonized by a western power. However, power relations within a Eurocentric discourse nevertheless play a crucial role in her status and position within the global arena. As demonstrated above the country, its culture and its people have been represented as 'the Other' within a dominant Orientalist framework. As Aitchison points out, if the subaltern can speak to the tourist, and she concludes that s/he can –it is from unequal platforms where audiences and actors are differently engaged and differently empowered in re-enacting or resisting hegemonic colonial and gender power relations.[17] This engagement, argues Aitchison, involves cultural practices that range from the performance of dance to the choice of promotional images in brochures and postcards, and together "these practices reflect the *sights* and *sites* of tourism as part of a complex picture of interwoven social and cultural relations, including relations of gender and colonial power." (Aitchison 2001:145). The *sights* and *sites* reflected in representations of Turkey in the promotional literature are imbued in power relations, not evident at first sight but which become evident upon analysis. For example, there is an abundance of images of young women belly dancing, with male tourists apparently stuffing money down their cleavage. Equally prominent are colourful images of exotic cuisine being served by waiters in starched uniforms to suntanned smiling Europeans, both groups instantly recognizable by their different portrayals, their status identifiable through their different positioning, dress and demeanour. There is also an abundance of glossy images of historical sites such as Ephesus, rock tombs, and seemingly unexplored white sandy beaches - all described, as discussed above, in gendered metaphors.

Whilst this project focuses on gender power relations, these cannot be discussed outside the global political context, especially as Turkey is very much in a state of flux, and as described by an endless number of brochures, straddles the East and the West in geography as well as culture. As pointed out by Fuat Keyman, Turkey may become a member of the European Union, but it is nevertheless a Muslim society, albeit with a strictly secular nation-state. This writer discusses the tensions and delicate balance involved between politics and religion and Turkey's social formation in its course of modernization and democratization. Fuat Keyman argues: "At a time when Turkish modernity has been undergoing a process of democratic transformation and consolidation in order to adapt itself to European norms of democracy and multiculturalism, such a democratic secular imaginary strengthens the perception of Turkey within Europe not as 'the generalized Islamic other', but as a natural member of a European society" (Fuat Keyman 2007:229)[18].

Agreeing with this statement I would add, for this perception to be realized gender power relations need to be taken into consideration, as historically the west judges a country's status of progress and development by the status of its women. Turkey is a country which has the potential to counter the fears raised by Huntington's 'clash of civilizations' debate about the manifestations of 'Islamic resurgence' and the instability brought about by the perceived rise in 'Islamic civilization'. We cannot ignore the recent evidence of tensions between secularity and religion in Turkey, nor indeed the rise in islamisation of tourism. A gender-aware framework of analysis of the Turkish tourist industry provides an opportunity to examine the social and political implications of tourism as well as the economic impacts, including significantly, possible changes in gender power relations. As indicated in my introduction, this paper is the result of the first part of a two-stage research project examining the cultural and structural consequences of tourism on gender power relations in Turkey.

Given the ideological constructs of the advertising industry in constructing and diffusing fantasy, meaning and identity, this project has started with an analysis of a selection of material used for the promotion of Turkey as a tourist destination. This paper concludes that representations of Turkey in the tourist industry serve to maintain hierarchical power relations whereby Turkish culture is portrayed through a series of exotic, erotic and mysterious imagery which re/produce stereotypes of the country and its people and fixes them atavistically in a historical Orientalist past residual in the western imagination. Such representations are constructed in opposition and contrast to the modern globalized western world. Through a process of commoditization of Turkish history and tradition, its people are portrayed as homogeneous - despite the heterogeneity of various ethnicities and religious beliefs. Furthermore, agency is denied to Turkish people as the brochures predominantly portray them as passive natives forever ready to entertain and service tourists. The slogan 'Turkey is where the East meets the West' may be plastered across billboards and tourist websites, but it is the East that is re/presented, solely through the Western gaze - as the exotic 'Orient' and the representations used are steeped in imperialist and Orientalist discourses. It is also abundantly clear that the 'Orient' is feminized, with its historical sites and landscape described in feminine metaphors, seductively inviting the tourist to explore 'paradise'. Such descriptions, however inviting, are also analogous to biblical stories - with their associated moral values regarding 'woman'. The imagery is clearly reminiscent of the biblical Eve as the temptress, with the inevitable consequences of tasting the 'forbidden' fruit. Such analogies used in promotional material play a crucial role on a subconscious level, in their re/creation of the 'Other' - as at once desirable *and* fearful, thereby maintaining a distance which perpetuates hierarchical difference. The tourist industry,

and in particular the interaction of European tourists with Turkish people have implications for gender power relations. These relations however are multifaceted and intricately complex, as gendered power relations of male/female are mapped onto 21st century neo-colonial power relations of tourist/host. Importantly, the ways in which struggles of resistance are occurring, and where these are taking place locally, will be explored at the next stage of the project. This stage will involve an examination of the impact of the tourist industry on gender power relations as perceived by local men and women. To reiterate what I've mentioned above, if Turkey is to be perceived as a valuable member of the European community, then gender power relations need to be taken into consideration, as a country's status is judged in western social, cultural and political discourse by the status of its women.

## Notes

1. United Nations Environment and Development UK's (UNED-UK) Project Report on gender and tourism, which aims at bringing gender aspects of tourism to the attention of policy makers, particularly issues relating to women's employment in the tourism industry.
2. Interview conducted by Alexandra Hudson on 23rd July, at 11.21 2009, GMT Reuters.
3. Hurriyet Daily News Report, the Journal of Turkish Weekly, Tuesday 30th December 2008.
4. Xinhuanet.com.
5. This research was conducted during the summer of 1992, using 401 face-to-face interviews with residents in Antalya.
6. Development implications for gender and work in Barbados are examined, comparing men's and women's industry.
7. Indicated by the UNED-UK's Project Report on gender and Tourism.
8. http://www.bbc.co.uk/persian/world/2009/09/090914_islamic_hotels.shtml
9. Scott in Apostolopoulos *et al* discusses the social and cultural issues relating to women who work in the leisure industry.
10. One Thousand and One Nights is a collection of Middle Eastern and South Asian folk tales compiled in Arabic during the 'Islamic Golden Age' and is often known in English as the Arabian Nights, from the first English language edition in 1706. Interestingly, many of the stories originally Middle Eastern folk tales have been translated and interpreted in novels and more recently, some into popular Disney films are more popularly known for example as Aladdin, Ali Baba and the Forty Thieves and The Seven Voyages of Sinbad the Sailor.
11. Lynne Thornton's work shows how women in particular are portrayed in Orien-

talist paintings, explaining how in Paris,'turqueries' became all the rage, a vogue that spread to the theatre, opera, interior decoration, fashion, romantic novels and paintings (p5).

12. General Napoleon Bonaparte and his invading French army conquered Egypt in 1798. It was during this period that European penetration and colonization of the Nearand Middle East expanded. Such encounter of the West with Eastern cultures produced fantasies about the East and in particular the Eastern promise, as depicted by Orientalist paintings of harems or Turkish baths for example. Whilst some Western artists actually travelled through the area, painting, sketching, and making field studies for works that would be created or finished in the studio, many never left their European homes, relying instead on written accounts of travellers for inspiration.
13. Lynne Thornton's book on women in Orientalist paintings has numerous examples of Oriental dress worn by influential women of the day.
14. To demonstrate the feminization of the Orient further, McClintock uses Brown's *Images of Women* to show how a journey to Egypt was "no longer a voyage to the Orient, but a voyage towards Woman".
15. New cultural geographies: the spatiality of leisure, gender and sexuality in Leisure Studies 18 (1999) 19-39.
16. Some of the postcolonial most renowned thinkers besides Edward Said such as HomiBhabha (1994); GayatriSpivak (1990); Lata Mani (1986); Frantz Fanon (1967) are referred to in this paper.
17. *Theorizing Other discourses of tourism, gender and culture: Can the subaltern speak (in tourism)?*
18. E. FuatKeyman in *Modernity, Secularism and Islam, The Case of Turkey* looks at the interconnections between politics and religion and discusses the extent to which this has become much more delicate since the 1990s, as a result of the rise of Islam politically, economically and culturally.

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# 5

# Gender, Alcohol and Modernity in Contemporary Kazakhstan

*Elizabeth Waters*

## Abstract

*The transition from Soviet socialism in Central Asia at the end of the twentieth century did not lead to the dismantling of Soviet-style emancipation, as was widely expected. This study shows that in Kazakhstan, despite the decline in Russian population and influence since 1991, the status of women has not changed significantly. More than 55% of students in higher education, and 50% of the work force, are female, and women exercise extensive legal and political rights, as well as social freedoms including the choice to consume alcohol. Abstention among Kazakhstani women is between 11 and 44%, a low level for a predominantly Muslim country, and the current beverage preference and purchase and consumption practices of urban women suggest some degree of convergence with drinking patterns in the developed world. The interplay between global trends and local Kazakh adaptations to the market economy, and to post-Soviet political and cultural modernity, is shaping the drinking culture and the wider context of gender relations.*

## Introduction

In the 1990s, after the collapse of communism in Central Asia, a number of scholars considered the likelihood of a significant reconfiguration of gender relations in the region; women, they speculated, might suffer disproportionately in the transition from Soviet socialism, bear the brunt of redundancies, and face exclusion from well-paid and key jobs and reduced political representation. Similar forecasts were made for other post-Soviet societies, but Central Asia was held to be especially vulnerable on account of the strength of tradition and the relative shallow roots of modernising institutions and practices (Akiner, 1997: 262-263; Buckley, 1997: 4-5; Kuehnast, 2004: 1). In line with studies of privatisation and elite-formationthat pointed to the resurgent impact of tribal loyalties and religious allegiances (Dixon, 1994: 23; Sultangalieva, 1998: 63-64), and the widespread view of the inherently conservative, top-down character of Central Asian societies in which the family held a central role in maintaining hierarchy, they warned of a return to patriarchal social relations (Rumer, 2005: 36; Tokhtakhodjaeva, 1996:65), the retreat of

the state creating conditions for work-place and domestic subordinations to re-emerge (Luong, 2004:24).

This article examines gender relations over the past two decades in post-communist Kazakhstan, the smallest Central Asian state in population, the largest in territory,and the richest in natural resources, (Olcott, 2002: 2),to assess the extent of change. It explores continuities from the pre-Soviet and Soviet periods, and the impact of post-communist market and political reforms and of communication technologies and consumerism. It takes women's participation in the drinking culture as a case-study through which to view the complex interplay of ethnicity, culture and modernity in producing definitions of gender over thetwentieth-century, and contemporary Kazakhstan, since 1991 an independent country, multicultural but predominantly Kazakh and Muslim.

## Gender and Alcohol

While patterns of alcohol consumption cannot be said to serve as direct indicators of socio-economic development, there is considerable evidence that connects increased alcohol consumption amongst women with modernity. Over the past half-century, female abstention rates have fallen and the gap between consumption levels of women and men has narrowed in many developed and developing countries (Gilbert, 1997: 361; Plant, 1999:57). Kazakhstan fits this pattern: the number of women drinkers is currently considerably higher than in the 1960s, and a recent national survey found that 43.4% of the female population aged 11 and above drink alcoholregularly compared to 47.4% of men (Segal, 1990: 70; Dinamika, 2002:31) Studies of drinking patternscite women's greater economic independence as one reason for their increased participation in the drinking culture, as well as education and more liberal social attitudes (Wilsnack, 1997:2; Plant,1999:66). The expansion of the drinks and leisure industries over recent decades has also shaped changing use of alcohol (Rehm, 2009: 2223), andcontributed to the erosion of informal restrictions on female drinking. As diverse culturesborrow and adapt patterns of consumption that first emerged amongst western women, they transform local practices into global trends: female students in Braziland professional women in India are increasing alcohol consumption; Russian are drinking more beer; urban Filipino women more wine (Pyne, 2002: 17)The extent of thesechange should not however be exaggerated.World-wide, 65% of women do not drink alcohol; in many parts of Asia, per capita alcohol consumption remains low and abstention amongst women, for whom cultural and religious prohibitions are especially binding, is more or less universal; in Afghanistan and Pakistan, close neighbours of the Central Asian states, not more than 1% of women consume alcohol (Rehm, 2009, 2009: 2228; Rehm, 2004: 973-79). The high levels of Kazakhstani women's participation in the drinking culture

therefore requires explanation.

## Background

The Republic of Kazakhstan, established in 1991 on the dissolution of the USSR, occupies territory, for centuries home to nomadic Turkic and Iranian tribes, that from the eighteenth century came within the modernising orbit of the Russian state. The tsarist regime established a colonial administration and encouraged the development of industry and agriculture; the Bolsheviks who succeeded them aimed at transforming Russian migrants and local Kazakhs alike – from the 15th century Kazakhs were the main indigenous people in the region –into new Soviet men and women via large-scale industrial and social programmes(Akiner, 1998: 8-9).The project involved application of the stick as well as the carrot. In addition to provision of schools and health care, the regime forced the Kazakhs to abandon their nomadic life as part of the campaign to collectivise agriculture, with such enormous loss of life that the titular ethnic group became a minority; it introduced censorship, the secret police and other trappings of the Stalinist state. In the less dictatorial post-war years, the republic's industrial output continued to grow but with closer attention to urban infrastructure, living standards and leisure.(Michaels, 2003: 27). Inthe expanding urban settlements, Kazakhs increasingly lived and worked in proximity with Russians,and though they were not traditionally users of alcohol beverages, began to adopt the Russian drinking pattern of heavy consumption of spirits, especially the men (Treml, 1982). A survey carried out at the end of the 1960s found that between 60 and 70% of male Kazakhs drank alcohol (Segal, 1990; 197).

Russian drinking culture did not exclude women, though their participation was informally regulated by tradition and custom. The majority of Russian women in Kazakhstan consumed alcohol at major public and private celebrations, when drinking to intoxication was tolerated, though not encouraged; they rarely drank in public places, where they were expected to practice moderation and observe decorum (White, 1996; Simpura, 1997). From the late 1950s and 1960s, this code of conduct was increasingly breached. Sociologists, statisticians and medical experts, including Kazakhstan's chief alcohol officer, noted increased drinking amongst women, including drinking that they deemed to be excessive, and linked this behaviour to women's participation in the work-force and greater independence (Gonopolskii, 1987; 122). Since the 1920s, and especially since the Second World War the lives of women had changed substantially. The regime proclaimed sexual equality as one of its goals, and introduced laws and policies that extended the scope of women's rights and provided greater access to education and employment (Astropovich, 1971). Girls, both indigenous and European, learned to read, completed secondary school and enrolled in universities and other establish-

ments of higher education. According to Soviet propaganda, economic opportunity was the lynchpin of the emancipation policy, an interpretation that dovetailed neatly with the need for an increased labour power to implement the state programme of industrialisation. Native Kazakh women were less likely than men to migrate to the towns, but their numbers increased in the post-war period, and they too came into contact with the Soviet way of life and leisure. By the end of the 1960s almost one third of native Kazakh women consumed alcohol (Segal, 1990: 197). In the following decades, as Soviet influence extended to the countryside, women's participation in celebratory drinking in rural areas also became well-established (Werner).

If women's participation in the drinking culture in late 20th century Kazakhstan was, as this account suggests, predicated on Soviet style modernisation and the predominance of Russian culture, then Independence might be expected to mark a watershed. The policies of the new government did indeed challenge the legacy of Soviet socialism and Russian influence. The post-communist government abandoned Soviet egalitarian ideology and adopted policies and informal practices that privileged Kazakhs in business and politics. Conspicuous consumption and social inequalities rapidly became more acceptable in the media and more visible in streets and neighbourhoods. The process of 'Kazakhisation' affected society from top to bottom, from the ethnic profile of the elite to the selection of individuals for memorialisation in street names, and triggered the exodus of millions of Germans, Russians and other Slavs from the Republic, thus reducing and finally reversing the European demographic superiority. But according to anecdotal and expert evidence, alcohol consumption rose rather than fell and reached alarming proportions. Newspapers published interviews with suburban shop-keepers, village housewives and hospital patients who told graphic stories of hazardous drinking and alcohol problems amongst the female population. Experts and officials presented statistical data that offered a similar picture of rising alcohol use and associated harms (Nuralieva, 2004; Dzambanbalaeva, 1998: 43; Reshenie, 2004; Problemu, 2004).

Nor did events confirm the predicted decline in women's status. Notwithstanding the regime change and the consolidation of Kazakh demographic and cultural supremacy, the Soviet-style gender order persisted, in outline if not in every detail. The government did not abolish or curtail civic, family and reproductive rights, nor introduce policies to limit access to education, paid employment and public office. Women continued to exercise these rights and use these opportunities on a scale and in a manner that was substantially unchanged.

While Kazakhstan has disappointed those optimists who hoped it might prove a bastion of reform in the region (Olcott, 2002), the government took its international and modernising role sufficiently seriously to sign interna-

tional declarations on gender equality, build a monitoring system for women's affairs (Committee, 2001), and debate and investigate previously taboo subjects, such as violence against women, (Ministerstvo, 2004; Kazakhstan, 2009; Abdykasymova, 2003). Despite the wide-ranging privatisations that took place during the second half of the 1990s, the state remains relatively big and interventionist, (Borowitz, 2006: 436; Tashimov, 2007) which has benefited the female population through the greater availability of welfare services.

The numbers of women in education and paid employment have changed little over the last two decades. Approximately 50% of primary school children in Kazakhstan are female, and the proportion of women studying in tertiary education has increased slightly since 1991 to a current level of 57% (Synthesis, 2006, p. 19). The gap between the wages of men and women has widened and the rate of unemployment (a new phenomenon) has tended to be slightly higher amongst women than men (Kanafina, 2004: pp. 87-9), but the participation of women in the labour force, is still at 50% (Bauer, 1997: 22; Kanafina, 2004: 88; World's, 2010: 202). The abolition of the communist practice of quotas for public office initially resulted in a sharp fall in female political representation, as it did in other post-Soviet states, and though the number has subsequently risen, this is probably in large part because of a revival of tokenism, now within the framework of Kazakhstan's managed democracy. Nevertheless, women continue to be relatively active and influential in local politics, as was the case before Independence. At the end of the 1990s, the total proportion of female deputies in legislative bodies stood at 19.2%, with the highest rates of representation amongst deputy rural mayors (*akims*), and the lowest amongst representations in Parliament (10.4%) and in the Senate (7.7%), (Republic, 2006, 53). Even at the top echelons of power, women are not without some clout, forming approximately 6-7% of the Kazakhstani elite (Cummings, 2005:60.)

Soviet-era legislation on reproduction and family, including the right to abortion and divorce, is still in force. Family size has remained fairly stable over recent years, as has the divorce rate, which continues to be high in urban areas, where it is related to education levels: graduates being more likely than those with fewer educational qualifications to end a marriage (Bauer, 1997: 16). While the traditional Kazakh practice of bride kidnapping has apparently become more common since Independence, the trend away from arranged marriages continues (Gendernye aspekty VICh, 2006: 7; Werner, 2004; 59). Soviet-style emancipation was always a balance between new freedoms and familiar subordinations, a blend of modern working and civic roles with traditional mothering and wifely duties. Gender stereotypes in family and everyday life remain as entrenched as they were at the end of the 20th century, though the new global images of women as independent achievers and glamorous users of consumers goods provide an unsettling counterpoint (Werner,

2004:67).

In her discussion of the backlash in Central Asia against Soviet-style emancipation, part of a wider rejection of Soviet ideology and institutions in the post-Independence period, Yvonne Corcoran-Nantes draws the conclusion that while the Soviet regime may have changed what people did, it could not change the way they thought (Corcoran-Nantes, 2005, p. 64). The French political scientist, Catherine Poujol, makes a similar assessment, finding that though family relationships changed to some degree over the 20th century and male predominance was diminished, Islamic 'mental structures' and 'values and representations' persisted throughout the Soviet period (Poujol, 2004, p. 15). Whatever the extent and cause of the backlash, and these accounts do not examine the detail, or investigate additional or alternative explanations, it was not a significant phenomenon in Kazakhstan (Synthesis, 2006: vii). Initially, the media broadcast harsh assessments of communist rule: the devastating famine of the early 1930s, the terror and the gulag, the cultural blight, the environmental disasters; and the government was happy to allow expressions of ethnic pride and resentment, which might strengthen its hand in the stand-off with the Russian Federation over sovereignty in the ethnically-Russian northern regions of the Republic (Furman, 2005: 199; Olcott, 2002: 67). But this war of words was relatively short-lived, and gender never a major focus. In Kazakhstan, Soviet-style emancipation is more likely to be tacitly accepted as baseline entitlement than criticised as post-colonial legacy (Kaliev, 2002: 70; Vekhi, 2006: 11). The reasons for this are historical.

Soviet-style emancipation went further and took deeper root in Kazakhstan than in other Central Asian republics, and not solely because the large Russian majority was in a position to impose its stamp on the region. In nomadic society, women had considerable freedom of movement by all accounts, and relatively high status as members of tribe as well as of family. Conversion to Islam, which began in Kazakhstan in the 17th century, far later than in the settled communities to the south, did not signal any significant restrictions (Bacon, 1966: 42 ; Bauer, 1997: 14; Tokhtakhodjaeva, 1996: 78; Kaliev, 2002: 71). Kazakhs were undogmatic and moderate in their faith (Olcott, 2002: 69) and did not introduce Islamic socio-cultural institutions such as the veiling and seclusion of women that were at odds with their nomadic way of life (Michaels, 2003: 22; Leeuwen, 1994: 21-22; Akiner, 1998: 7). The specific character of pre-Islamic and Soviet-style gender relations in Kazakhstan can still be seen reflected in the continuing differences between post-Soviet Central Asian states: in Tajikistan, for example, the percentage of women in higher education is currently less than half the Kazakh level; and Kazakhstani women are more likely to participate in the labour force than in the other Central Asian republics (World's, 2010: 202,3).

Continuities in the configuration of gender have been considerable, de-

spite the transformations in economic social and political life that followed Independence. As before, society provides education and jobs, backed by legislative and welfare support. Since the environment that drew women into the drinking culture in the first place has remained relatively unchanged into the 21st century, a relatively unchanged continuation of female drinking patterns is to be expected, all things being equal.

Things are never entirely equal, and several of the wider post-communist developments have the capacity to affect gender relations and drinking culture. The shift in the country's ethnic profile, which had begun in the 1970s, accelerated after 1991. The Kazakh share of the population increased from 41.9% to 50.6% over the first five years of Independence, while the Russian population declined from 37% to 32.2%, and the contribution of other European ethnic groups to the total population fell to under 10% (Uchebnoe, 1995:115; Mitrokhin, 1995:30; Highlights, 1999:3; Patnaik, 2004: 65). The decline of Russian influence does not translate however directly into Kazakh hegemony. As the country has cut exclusive ties to Moscow, and through its 'multivector' policy opened itself to global influences, identities are in flux. Of the wider post-communist transformations, the new informational technologies and the consumer revolution in particular, have affected the messages and practices related to women and their place in society. Further developments may dismantle, reorient and reshape the country's infrastructure, institutions and mentalities, especially once the Nazarbayev era comes to an end, but so far the wider post-communist changes have probably done more to undermine custom and gender stereo-typing than to strengthen them.

Government control of the Kazakh media continues to be tight, but the population's access to facts and opinions, on all manner of topics, is nevertheless unprecedented (Kulov, :116; Tashimov, 2007). New technologies, the internet in particular, have made available information on life and thought beyond national borders and a platform for the debate and dissemination of competing and contradictory perspectives on a range of issues, including gender equality and alcohol consumption. Some newspapers report approvingly the devout Muslim woman who follows a strict dress code, and welcomes restrictions to her movements and would willingly accept polygamy. Elsewhere in the media there are knowing references to feminism, and critiques of the gender stereotyping that Soviet-style emancipation condoned (Telibekov, 2002; Fadeeva, 2006: 3; Obraz, 2002). On alcohol, fresh perspectives are possible without risking the attention of censorship or of state security: promotion of abstinence from alcohol on religious grounds, presentation of facts on alcohol production and distribution in detail and with objectivity, and ironic and playful comment on beverage preference and drinking patterns (Telibekov, 2002; Alshanov, 2004; Napitki, 2005). Information about the harms of alcohol was freely available in the Soviet era, but in this instance too there are

new types of information available, such as self-help web sites and directory inquiry entries on confidential treatment centres.

Both old and new media have been central in directing and shaping the retail revolution, which started out in inauspicious circumstances during the transition crisis of the 1990s - per capita GDP fell from $4081 in 1991 to $2296 in 1996 (Kaluzhnov, 1998: 153) - and burgeoned with economic recovery and rising living standards. The new imperative to consume affects all women to a greater or lesser extent, both as family members and individuals. Commercials and infomercials, though not permitted by law to advertise alcohol directly, provide a guide to the broader drinking context of leisure and health. And while such material takes little interest in the minutiae of gender relations it takes for granted that women are free agents who make their own choices about purchase and lifestyles.

Reasons for the steep increase in alcohol consumption amongst women reported in the decade following independence were not always clearly articulated but centred on the high levels of unemployment, the declining living standards,and on the social and moral disorientation of the post-independence years, conditions which were equally driving men to increase alcohol consumption. It was not just women who were drinking more: Kazakhstanis of both sexes were alleged to be drowning their sorrows in drink.It seems probable that these conclusions about increased and excessive consumption were alsodue to a shift in the eye of the beholder; that journalists and experts alike saw alcohol consumption in a new and negative light, against the background of ethnic tensions, political instability and fear of further economic meltdown, and that experts, now in possession of comparative global statistics provided by international organisations, were taking a more dispassionate and critical view of the drinking culture.In addition, stories of social problems out of control make for good copy in a time of falling newspaper sales.

The evidence put forward for rising alcohol consumption amongst Kazakhstani women was not strong. The anecdotal evidence described drinking habits that had been widespread for decades. Information was thin, inaccurateand based on unreliable statistics (Waters, 2007).

The problem of inadequate and misleading data was endemic and of long standing. The Soviet survey of drinking in Kazakhstan, mentioned above, carried out during the 1960s, the only one of its kind, was not published until 1990, and then in the United States, not the USSR. Alcohol consumption was a sensitive subject for the communist regime, because Soviet ideology predicted that under socialism drinking would cease to flourish, and evidence to the contrary, which was becoming overwhelming, had to be kept under wraps. Large and comprehensive data sets on alcohol consumption were conspicuous by their absence, and information in the public domain tended to be patchy, poorly contextualised, and hidden away in provincial journals with a

small circulation (Pashin, 2009: 36, 42; Nemtsov, 2009: 16; Khalturina, 2008: 178 An American economist, Vladimir Treml, who pieced together a picture of Soviet alcohol consumption from the available information, calculated that by the end of the 1960s per capita consumption of officially-produced alcohol in Kazakhstan stood at 8.59 litres of pure alcohol; he could not say how much of the total was consumed by female drinkers (Treml, 1982: 68, 74). ). Few authors subjected their data to a gender break-down and there was more or less no information, as opposed to assertion, about women's drinking. The combined effect of campaigns for glasnost' and against alcohol in the final years of the Soviet regime did produce an increase in information about the extent of alcohol consumption and its harms though not necessarily an improvement in its quality. The Kazakh chief alcohol officer reported rising alcohol abuse amongst Kazakhstani women, especially in industrial regions of the country(Gonopolskii, 1987: 121), but failed to provide supporting data.

Towards the end of the 1990s, statistical handbooks began to publish information on the number of women 'under observation' for alcohol problems. It was the only firm data in the debate on women's drinking and the rates for women undergoing treatment were indeed rising sharply, increasing between 1997 and 2002 from 41 to 100 per 100.000, from 8.7% to 14.8% of the total (Zhenshchina, 2003: 61-63). Since many women, and more women than men, chose to attend private clinics, and are not included for this reason in the official statistics, the gender differential in help seeking is narrower than these figures suggest and the overall numbers higher. However, this increase is not necessarily an indication of a rising rate of harm, since in part at least it reflects the decreased stigma attached to alcohol problems.

Nevertheless, alcohol consumption was certainly very high during the 1990s. Per capita consumption had never reached the same levels as in the Slav heartlands of the USSR and there was a gradual decline from the 1970s when the Russian share in the population began to fall, but consumption remained amongst the highest in the world. The World Health Organisation identified Kazakhstan, along with Eastern European and Slav post-Soviet states, as a region of high risk drinking (Room, 2001: 35).

In the second half of the 1990s, research was addressing the information deficit. Two national surveys, several large-scale regional and a number of smaller local surveys on health and nutrition, lifestyles and alcohol consumption, carried out with assistance of international organisations including the EU and UNDP, offer information on drinking patterns with a gender breakdown of material. Differingin sample and focus, the surveys do not give clear indications of changes over time, but they provide baseline data put the pattern of women's drinking in historical and global context.

## Drinkers and Consumption Levels since 1991

Women in contemporary Kazakhstan drink less and less often than men, as was the case in the Soviet period, and is the case in all drinking cultures past and presen,t ever studied. A nutrition study completed in 2001 found that women's alcohol intake was just below one quarter of the male rate, 1.7 gm and 6.6 gms daily, respectively, which is roughly the proportion cited by Vladimir Treml for Soviet women overall for the 1960s; another study found that women drink approximately one ninth of the amount of alcohol consumed by men (Treml, 1982; Sarbayev, 2003: 4; Treml, 1982; Pomerleau, 2005). Between two and four women in ten drink at least once a month, compared to five to seven men (Osnovnye, 2000: 52-3;Sarbayev, 2003; Pomerleau, 2005: 1653).Over 10% of women drink once a week or more; approximately 15% report heavy drinking episodes, and of this number 2.3% binge drink on a weekly basis, a higher rate than many European countries including Germany and Estonia (2.1% and 2.1%) and far higher than Turkey (0.4%), with male rates of 9.6%, 13.1%, 15.&% and 2.4%) Frequent and heavy drinking is more common amongst Russian than amongst Kazakh women, and amongst urban than rural women (Women's, 2010; Sarbayev, 2003: 4). The pattern of alcohol consumption amongst women mirrors the male pattern of heavy episodic drinking, though the participation of female drinkers in the risky aspects of the drinking culture is much smaller: the number of female heavy drinkers and frequent heavy drinkers is three to four times fewer than the number of males (Gender, 20003: 14; Pomerleau, 2005: 1663; Women's 2010).

Reported levels of abstention amongst the female population vary considerably, between 11% and 44%, depending on the sample and on whether lifetime or current abstainers are counted; recent figures for current abstainers are in the high twenties or above, and are roughly twice or slightly more than twice the abstention rate for men (Osnovye, 2000; Dinamika, 2002: Sarbayev, 2003: 12; Pomerleau, 2005: 1653; Women's, 2010). Therates are higher thanin most western countries, except for Spain and Portugal, lower than for other Central Asian countries and other Turkic countries, and far lower than for neighbouring Asian and Muslim countries. They show a decline in abstention relative to the 1960s, but possibly an increase since the turn of the century. Since Kazakh women were never as integratedinto the drinking culture, the republic's changing ethnic profile is one reason for the fall in the number of women drinkers. Increased influence of Islam might appear to be another, but it should be noted that while recent data reports that 20% of Kazakhstanis, equally distributed between the sexes, claim to have given up drinking alcohol, in the Russian Federation the numbers are far higher, 22% of women and 18.3% of men (Women's, 2010). Health concerns and the decreasing allure of alcohol as a consumer product may be more important reasons for turning

away from alcohol consumption or for turning towards a different model of alcohol consumption Kazakhstan as elsewhere in the former Soviet Union.

While modernity is associated with increases in women's alcohol consumption, which typically rises from relatively low levels as gender-based restrictions to access are removed, above certain levels of prosperity the association weakens. In recent decades, several European countries have registered a decline in per capita consumption, as well as changes in drinking patterns (Plant, 2000: 57).. Amongst urban Kazakhstani women, it is in these drinking contexts – beverage preference, purchase practice, and drinking locations and occasions - that the new global influences can be seen most clearly in action.

## Drinking Contexts: Beverage Preference

The early 1990s were characterised by minimal beverage choice for both sexes. Spirits had been the drink of preference throughout the Soviet era, and production of illegal spirits soared in the mid-1980s, initially as a black market response to the anti-alcohol campaign, and continued after Independence because the new government, while harbouring no it had no temperance mission, was faced with an economy on the verge of collapse which left no time for overseeing the manufacture and distribution of alcohol. Not until the mid-nineties, after the state alcohol monopoly was abolished and the privatisation programme began to kick in, did legitimate entrepreneurs, domestic and foreign, direct their energies to restoring and expanding beverage choice. Over the following decade they successfully reintroduced beer and wine, and marketed them against the Soviet gender grain. Domestic beer production increased substantially, and sales of moderately priced Russian imports and more expensive brands from Europe did well (Alshanov, 2004: 33; fieldwork). Beer, once an exclusively male beverage, gained in popularity amongst women; and wine, once ring-fenced as a suitable drink for Soviet women,gained broader appeal, and boutique cellars in city centres sold high end vintages to businessmen (Semykina, 2003: 18). By the early 21st century, the contribution of spirits to total consumption had fallento 61%, while beer and wine increased their share to 21% and 18% respectively (Shalabaev, 2004) Recent surveys have traced the growing popularity of beer amongst female drinkers, especially the young and professionals, who are almost as likely to drink beer as wine. (Pomerleau, 2005: 1657; Napitki).

The service sector, one of the weakest links in the Soviet economy, took on a new lease of life after 1991, and has come to exert a powerful influence on social life, through its reorganisation of the content and form of interpersonal transactions, and through its promotion of leisure and lifestyle aspirations to new social groups. According to the anthropologist J Nazpary, restaurants and bars have been important in creating the new consumerist culture amongst young people in Kazakhstan (Nazapry, 2002: 90). The redesigned

alcohol outlets and public drinkingvenuesalso target women, and providenew ways for them to access the drinking culture and shape its development.

## Public Purchase and Consumption

In urban post-Soviet Kazakhstan, alcohol is sold around the clock in a variety oflocations, from small kiosks tolarge supermarkets, from street stalls tomalls. The option to purchase when and where convenient, in an impersonal environment,enables women more easily to disregard the convention that purchasing alcohol is a job for men (Yim, 2005: 796). The restructuring of the service sector has affected public consumption of alcohol as well as purchase. Drinking venues are now more numerous and varied than before 1991, and more woman-friendly. Soviet-era beer halls and bars that were full of smoke, male talk, and competitive drinking (Mura, 2003:31), have been replaced by establishments that aim for a gender-neutral décor and ambience. The relatively large mark-up on alcohol restricts regular use of public drinking venues to the more affluent, but the number of women with money to spend has increased considerably in recent years (Yim, 2005: 796).

## The Drinking Context

The home remains the main location for drinking, both for men and women, but public locations, which in the past were used mainly by male drinkers, now have more women customers, and mixed drinking is more frequent. Women's alcohol consumption continues to be associated with celebrations such as birthdays, weddings and public holidays, and the company of friends and family, but the range of occasions that are celebrated are more various and include the relatively trivial – a new car, the start of the week-end; for women as well as for men, drinking for no particular reason is now more common.

Alcoholic beverages have become an integral part of the new Kazakh consumerism, along with automobiles, designer furniture and high fashion (Werner, 2004: 67; Nazpary, 2002: 91), a development which is paradoxically diminishing their importance. Alcohol successfully makes the transition to modern retail realities, but it is no longer Product No 1. Before 1991, drinking was a way of life, a badge of identity determined by birth and community membership; now, as it loses this peculiarly elevated position, it becomesa practice like any other, subject to competing claims on time, money and emotion.

In the case of long-established industrialised societies, detailed data on women's drinking culture can be measured and interpreted against a large body of evidence about social trends and directions of change. For Central Asia there is less data and its interpretation is far more difficult. Kazakhstan,

headed by an ageing ex-communist, and run by a Kazakh elite, is a secular and multicultural state, with an increasingly Muslim and regional identity, and a recent history of profound turmoil and crisis. Future developments depend on the outcome of competing and shifting interests. The European population is likely to fall further as a proportion of the total and Russian cultural influence to continue to weaken. The growth of militant Islam cannot be excluded, and in any 'clash of cultures', gender relations and alcohol consumption are likely flashpoints. The social andcultural legacies, inherited from pre-Soviet and Soviet eras will continue to inform government and public perceptions of gender relations, and communication technologies and global leisure trends will continue to shape drinking environments, but influences for modernity could be trumped by restrictive political or religious agendas. Directions of change ultimately lie in the decisions taken on major issues at national and international levels.

## Notes

1. Before colonisation, Kazakhs did not drink alcohol as such, though mare's milk, *kumis*, which was both an everyday and a ceremonial beverage, has a 2-3% alcohol content.
2. This assessment which follows of women's participation in the drinking culture in post-Independence Kazakhstan draws on surveys and other documentary evidence, and on interviews with professionals, government employees and academics, interviewed between 2002 and 2008, as part of a study of the drinking culture in the post-Independence Kazakhstan, led by Professor B Thom, Middlesex University and funded by a grant from the British Academy.

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# 6

# Globalization, Modernization and Religion: Women's Access to Higher Education in Post Revolutionary Iran

*Samane Salimi-Tari*

## Abstract

*With its inception of an Islamic Republic, the Iranian revolution in 1979 replaced a secular and 'modernising' monarchical regime with theocracy, in which the state came to be ruled by a religious authority. The political system inaugurated by religious clerics in Iran was a convergence of politics and religion in an era where globalisation has increasingly integrated the whole world. Contrary to this integration, the new ruling authority was granted to the most senior Islamic expert, the Valyate Faqih. By emphasising the importance of Islam and claiming it to be its religion and culture, Iran went against the notions of modernity in what has been referred to as an increasingly standardized and flattened world. Although the state opposed the Universal Women's Rights at the Vienna Human Rights Conference in 1993, it has been announcing its commitment to "Islamic" human rights and its pro-equality vision towards women. Indeed, at the core of this "Islamic" society lie contradictory notions of women, as the Islamic state ideology is to protect women as "weak" and "emotional" subjects with the central role of mothering (Gheytanchi, 2001). Nevertheless, by working against the notions of modernity, the Islamic Republic of Iran has witnessed a two-fold population growth and improvements of human development factors such as an increase in life expectancy to up to 70 years, along with a remarkable improvement in the literacy rate of 84 percent (Abrahamian, 2008:2). Unexpectedly, the increase of enrolments to universities has been most evident for women under the Theocratic Regime as the number of Iranian women attending university has risen to over 60 percent – thus, creating a paradox between the notions of "modernity" and "tradition". The scope of this paper is to outline and examine the forces behind these developments. It will assess the degree to which the Islamic Republic has responded to globalisation, development and modernisation by focusing on women's access to higher education.*

## Introduction

The idea of an increasingly "shrinking world" has dominated international debates since the early 1990s. As argued, a new epoch of capitalist globalization has emerged, generating a global village by reconciling economies across the world, indoctrinating much of the globe with its values. In the immediate post-Cold War era, these forces of globalization led to the abandonment of state-centred development in the Third World, seeking commitment with the West and ,as such, resulting in something that Francis Fukuyama came to theorise as "the end of history" in 1992 (Hoogvelt, 2001). By asserting that the "liberal idea" had triumphed over other ideologies in governing the international order, liberalism came to constitute the leading system of a new global hegemony sponsored by Western countries and corporations. Nonetheless, as the whole world faced this global modernity, forces against it gathered impetus in the non-Western world. Undeniably, in the late 20th century, the Middle East region came to embody what most scholars referred to as the "revival of cultures". Numerous interrelated social, political and economical developments within this region resulted in what many spectators came to denote as Islamic revival which, in many cases, has been equated with fundamentalism (Kiely, 2007). The Iranian Revolution of 1979 during which a secular monarch – sponsored by the West – was overthrown by the first theocratic regime in the modern era defined the central moment of this reaction against a global modernity. Hence, a religious "traditional" element replaced a secular "modern" regime in the era of globalization – going against the notions of modernity.

Notwithstanding, this division between the West and the Muslim world has also signified a collision of norms and values dating back to colonial times. In particular, this conflict is very evident when addressing gender issues today. As such, it has been emphasised that Muslim societies have had slow developmental progresses due to their resistance towards gender equality. This occurred by reinforcing traditional institutions of culture and social control. For this reason, Muslim countries are perceived as being the most traditional societies globally. As a result in post-revolutionary Iran, founded on the doctrine of velayat-e faqih (rule of the Islamic jurist), the development of higher education has created controversies by being in favour of women under a "traditional" theocratic regime (Shavarini, 2006:43).

Thus, the scope of this paper is to expose the increasing number of female students in higher education under the Islamic Republic of Iran as it has created a paradox between the notions of modernity and tradition. The first part will aim to unpack the concepts of globalization, modernisation and development, attempting to assess the adaptability and flexibility of religion. Secondly, this paper will look at higher education in pre-revolutionary Iran

followed by post-revolutionary Iran in order to compare and contrast the major forces of change. The last part will critically analyse the development of women's entry into higher education under the Islamic Republic of Iran in order to scrutinize and provide a better understanding of these "modern" human development improvements under a "theocratically traditional" society. By taking into account economic, social and political features, this paper will argue that "modernity" and "tradition" cannot be mutually exclusive. Hence, theocracy in Iran has wrongly been equated with fundamentalism as it implies a return to old bygone days.

## Globalization, Modernization and Development

Within contemporary debates of globalization, three general schools of thought have been recognized: the hyperglobalists, the sceptics and the transformationalists. Hyperglobalists, such as Ohmae (1990), argue that the contemporary era of globalisation is marked by the forces of a borderless economy affecting not only the economic power of states but also of individuals. Along with multilateral institutions of a global economic supervision such as the International Monetary Fund (IMF), the World Bank (WB) and the World Trade Organisation (WTO), global markets have the capacity to transcend political regulations attained by states. In comparison, the sceptics reject the belief that economic globalization is something new. Globalization is more of a myth as the new world order is shaped by the same old forces of states and geo-politics like in the past. Therefore, the world is becoming more regionalised rather than globalized as it is providing an uneven development. For instance, as stated by Hirst and Thompson: *What is being celebrated in globalization is the triumph of a western worldview, at the expense of the worldview of other cultures* (1999:24).

Thus, when considering such an analysis, it is possible to identify states like Iran which both wishes to take part in the global process by expressing ideological support for other states like Venezuela or the Palestinian occupied territories, whilst at the same time challenging the Western domination albeit in the form of theocracy.

Alternatively, the transformationalists take a different approach. The central focus in this debate should concern questions regarding power relations, organisation and distribution as globalization entails a world in which events in one region can affect the lives of others living far away. For instance, as Giddens (1990) and Rosenau (1997) assert, the processes of globalization are bringing about changes such as democracy all over the world, in which different actors have tried to adjust to. Yet, the impacts are vastly uneven and can bring about fragmentation and marginalisation as well as integration.

Regardless of the different approaches, the debates on globalization in the last few decades have been based on two key phenomena. Firstly, the growing

international economy, serving a neoliberal agenda of free flows of capital and consumption through transnational corporations unrestricted by a borderless economy. Secondly, the thought of a global culture in which transnational corporations have transformational effects on societies and individuals through their control and use of the mass media. On the whole, these forces have a significant influence on certain patterns of consumption shaping cultures and ideologies of consumerism internationally (Sklair, 2002). Therefore, the most common thoughts are about an increasingly standardized and homogenous world which is shaped through technological innovations, trade and cultural synchronization coming from the West (Pieterse, 1995). Hence, it has been argued that globalization works in line with modernity forming a global hegemonic power rooted in the neoliberal school of thought. As Cox has stated: *World hegemony is describable as a social structure, an economic structure, and a political structure; and it cannot be simply one of these things but must be all three* (Cox, 1983:172).

This is demonstrated through international institutions by obtaining a universal understanding of norms and rules of behaviour (Cox, 1983). Undeniably, economic globalization revolutionized between 1978 and 1980 – starting with Deng Xiaoping in China, Margaret Thatcher and Ronald Reagan who employed similar procedures towards a liberal world market by changing monetary policies. These alterations resulted in comparable forces worldwide, endorsing the ideological orthodoxy of the West (Harvey, 2005:1-4). This same globalization radicalized as the advancement of technology enabled the liberal idea to prosper, founding a new international hegemony (Murden, 2002). Therefore, even though there are disagreements to whether globalization is something new, it has indeed originated from somewhere (Baylis, Smith and Owens, 2008). For instance, it has many parallels in accordance with the modernization theory as industrialization has brought into being an entire novel connection between different societies by altering the political, social and economical developments. For that reason, modernization can be considered as being an element within the globalization process (Durrschmidt and Taylor, 2007:4).

Iran is, without any doubt, an interesting case; while the country's leadership is based on religious authority, it also has a modern economy globalised through its oil industry. Entailing such a development, it requests questioning whether globalists or be it anti-globalists have enough eminence or whether a new concept is needed to explain such an evolution. For instance, when it comes to the combination of different cultural forms, the term hybridization has been applied to define: *The ways in which forms become separated from existing practices and recombine with new forms in new practices* (Rowe and Shelling, 1991, cited in Pieterse, 1995:49)

Recognizing such a combination of economic, political and social factors

perhaps suggests that the term hybridization could be applied to other fields rather than merely cultural forms. Certainly, in the case of Iran, the problem revolves around modernization since such theories did not predict the emergence of religion; they rather argued that with the development of industrialization and growth, a declining role of traditional forces would follow.

Although the meaning of "modern" and "modernity" has at times been used vaguely, the transitions to modernity have most commonly been associated with features such as industrialization, the rise of capitalism, urbanization and the increasing social division of labour. Stemming from the 18th and 19th centuries European intellectual thoughts about the evolution of social change, it presumed that transition involved progression and expansion moving from a pre-industrial to an industrial society. However, the clarification of these developments, rooted in the works of Marx (1818-83), Durkheim (1858-1917) and Weber (1864-1920)[1], has differed in theorising the stages of progress (Webster 1990). What has more commonly appeared is the delineation between the traditional phase and the modern phase of social change. Thus, the evolutionary process of modernization has a heritage from the industrial societies of the West (Smith, 2003).

This concept of a transition from the "tradition" to the "modern" has been applied to the 20th century ideas of modernization, inheriting all such assumptions of continuity and change (Hoogvelt 1978:11-12 cited in Smith, 2003). As such, economically, modernization has been based on the concept of a society reaching the age of mass consumption deriving from the industrial revolution of the West. Sociologically, it has implied that industrialization brings about a modern transition. As institutions multiply, traditional societies become more complex, equalizing cultural differences and mirroring those values of wealthy societies in the West (Webster, 1990:44). Taking a political approach, the inadequacy of leaderships in the Third World has often been blamed for being the primary source of "backwardness". Theorists like Huntington have argued that a state needs to have a secular political elite in order to achieve industrial, political and social modernity in a society. Accordingly, secularization is a process through which societies become more rationalized by distinguishing between the religious and the material world (cited in Haines, 2002). For instance, in a traditional society the family is the fundamental unit in performing different economical, educational and reproduction functions within the society, whereas these same factors are appointed to specialized institutions external to the family in a modern society (Webster, 1990). Similarly, some scholars have also taken into account the idea that the transition from a traditional to a modern society entails the matter of attitude and values rather than merely material interests. As stressed by Sklair:

> *Traditional societies are run by traditionally minded individuals, typically those who are inward-looking, not prepared to innovate, and*

> *influenced by magic and religion; while modern societies are run by modern-minded individuals, outward-looking, keen to try new things influenced by rational thought and practical experience* (Sklair, 2002:31).

To a certain extent, this particular theory derives from Max Weber's efforts of connecting the Protestant ethic with the rise of capitalism in order to outline how different systems of belief have reserved themselves from the rise of the modern society. Similar to Durkheim, Weber examined the materialization of industrialization, although focusing on why capitalist development prevailed in Western European economies. He asserted that because of the cultural process peculiar to Western societies, rooted in the Protestant reasoning of work, such a development occurred. This peculiarity was seen as rationalisation intrinsic to Protestantism entailing a work ethic, which, unlike the societies of the East, was compatible with the spirit of capitalism (Webster, 1990:47-8). In short, if religion refuses to accept human intervention it will provide hindrance to the modernization process. In this respect, modernization theory recognizes a difference between the traditional and modern world in which the traditional values and institutions are perceived as being irrational as they provide an obstacle to the modernization of society, hence, causing underdevelopment. Relying on these theoretical frameworks, modernization theorists have constructed contrasting features of what constitutes the modern and tradition (Higgott, 1978:31 cited in Smith, 2003:47).

Nevertheless, the theories of modernization have also been subject to an extensive amount of criticism, emerging during the 1960s and 1970s. In fact, many writers such as Hoogvelt (2001) have stated that Modernisation Theory emerged during the Cold War environment and was habituated by the strategic USA policies with the purpose of counteracting any possible influence in the Third World by the USSR. Arguably, this theory can be described as an alternative to the social development outlined by Marxists. For instance, scholars such as George (1976) have argued that the whole concept of development was designed to endorse particular social groups in the West and is hence eurocentric, whilst others went further seeing it as a form of cultural imperialism and 'nothing more than projecting the American model of society onto the rest of the world' (Sach 1992b:5, cited in Kiely 1998:10). In the contemporary era of globalization, the outcomes of the neoliberal orthodoxy promising individual freedom and prosperity for all by promoting the free flow of capital, has also been subject to much criticism. As such, critics like Harvey (2005) and Callinicos (2001) have pointed towards a theory of uneven development. For instance, historically, political economy of development has been interpreted according to capitalistic advancement of the West infiltrating itself upon the rest of the world. Accordingly, an uneven geographical development occurs when places remain behind these processes, constituting backwardness because of either unwillingness or inability to follow in

the footsteps of the dynamic capitalist West (Harvey, 2005:72). By believing that the problems of the Third World could be solved through applying the historical experience of the West, the idea of modernisation as a theory or a group of theories became instead promoted by policy-makers as an ideology failing to provide a clear definition of the "traditional". As underlined by Swanepol 'this ideology was based on the notion of the primacy of the north" (cited in De Beer and Swanepol 2002: XV).

Certainly, the Iranian Revolution has been put forward as a challenge against modernization as secularization did not end traditional forces. However, this does not mean that the Iranian society since 1979 has become more irrational as outlined by the changes in Iranian politics, economy and society. In fact, the basic indicators of modernization and development – such as growth, human development index and education – all signify improvements. Yet again, this does not indicate that the Iranian society has gone through full fledge democracy, just like other third world countries. But to assume that the state and the society are locally and globally behaving in an irrational way by converging Islam and politics must be mistaken.

## The Revival of Islam in the Era of Globalization

The vast majority of literature covering Islam tends to hold the view that Islam is not merely a religion but also a way of life as it instructs social relations between people taking into account legal and political institutions as well as directing economic practices. Therefore, Islam can be seen as a symbol of lifestyle politics, signifying identity and belonging[2] (Hoogvelt, 2001). In fact, questions regarding Islam have constituted the leading debates in the contemporary era of globalization (Kiely, 2007). For example, in 1993 Samuel Huntington wrote in the *Foreign Affairs* that the nation-sate, a primary element of international relations, was declining as a result of the economic modernization bringing about social change internationally. He believed that future conflicts would evolve between different civilizations, a term he came to coin as the 'clash of civilizations'. Although his theory has received much criticism from both scholars and policy makers, different related approaches have emerged implying that Islam and the Islamic revival offer the key challenges to the current era of globalization and US imperialism (Kiely, 2007). In fact, many scholars have stated that the defining element of the Islamic revival was when the Shah of Iran, a pro-western monarch, was overthrown in 1979 putting in place the first theocratic Islamic Republic in the modern world. Starting with Ruholla Khomeini in Iran along with other leaders in the Middle East and North Africa leading to a militant dialogue, which influenced a great part of the Muslim world. This was most evident in the implementation of Sharia Law (Islamic Law) as the basis of an Islamic state, in other words,

a return to the basic texts of Islam. Consequently, in the West, this has partly come to be seen as "Islamic fundamentalism" and a society striving "backward" to establish a traditional order.

However, using such terms to describe the Islamic revival becomes problematic, as Islam, just like any other religion, has arguably been subject to different interpretations depending on the material condition of the believer. As such, Islam has sustained through various societies like the ancient traders, great empires and modern industrialization and has therefore been able to adjust within different social systems. Additionally, taking into account that the Middle East has had a long history of colonization, Islamism has evolved in civilizations distressed by the forces of capitalism. Whereas the region has been traumatized by imperial powers in the past, it is nowadays struggling with internal class formations under capitalistic states still affected by dominant imperialist powers such as the US (Harman, 1994). Therefore, rather than applying the term "fundamentalism", it can more correctly be referred to as "Islamism" signifying different movements and trying to challenge the uneven outcomes of capitalism by altering the society rather than preserving it. These movements have continuously been able to maintain an immense role by safeguarding both the oppressed and the oppressors. As outlined by Chris Harman:

> *It appeals to the wealthy and the poor alike by offering regulation of oppression, both as a bulwark against still harsher oppression and as a bulwark against revolution. It is, like Christianity, Hinduism or Buddhism, both the heart of the heartless world and the opium of the people* (Harman, 1994).

For example, even though the Iranian Revolution took an anti-imperialistic, anti-American and anti-Western outlook, it has been a subject of confusion as implied by the term "Islamic Fundamentalism" (Morady, 2010). Such a concept suggests that the Muslim world is inherently changeless, illogical and reluctant to future thinking and, as described by Murden (2006:547), it is 'looking forward to a better past'. However, the ideology that contributed to the mobilization of masses during the Iranian Revolution has yet implied the contrary. For instance, Khomeini repeatedly referred to three vital principles in his many speeches. Firstly, the principle of instituting an Islamic Republic by applying novel approaches to the Islamic doctrine. Secondly, by turning the two Qu'ranic phrases of *mostazafin* (the oppressed) and *mostakbarin* (the oppressors) into a populist usage in trying to reach out to the poorer classes. And thirdly, as described by Halliday:

> *There was the appropriation in Islamic terms of what was in essence a third world nationalist appeal: against the twin Satans, of East and West, against the world-devouring forces that had long oppressed Iran* (Halliday, 1994:91-102).

In fact, the idea of corruption and occupations as something coming from external forces was often underlined in many of Khomeini's sermons. The revolutionary rhetoric was proclaiming to defend the impoverished, those undermined by the forces of globalization and to create a more equal society by defeating the exploitative capitalism coming from the Western economic and cultural permeation. As suggested by Abrahamian (1993), this ideological language had more in common with the Third World populism in South America than with fundamentalism, as it endorsed a return to "indigenous roots" by eliminating "cosmopolitan ideas" and promoting a non-communist and non-capitalist developmental model (Abrahamian, 1993: 38).

## Rational Reasoning Versus Faith

Whereas liberalism constitutes the idea of a free economy, individuality and the exclusion of social limits, Islam, as Murden pointed out 'is a vision of submission to God, the believer community and social order' (2006:551). Nonetheless, the discussions regarding Islam and modernity seem to be more complex than by merely drawing conclusion on the encounter with militant Islam. As pointed out by Sonn (2005), Islamic debates about modernity more generally involve the questioning of secularism, rationalism and democracy. Because of different historical developments, Islamic and Western understandings of pluralism have diverged in crucial ways. Within Islam, the negative consideration of modernity is based on the notion that Western rationalism denies faith by relying exclusively on reason. Nevertheless, Sonn claims that the practice of liberated reasoning lies within Islamic tradition. Looking back historically, she argues that rationalism and secularism, which are fundamental elements of modernity, have always been complementary components to faith within Islamic thought. Whereas pre-modern Western law lacked pluralism, classical Islamic law protected it. As such, modern Western law highlights the separation of politics and religion whilst contemporary Islam finds it unnecessary (Sonn, 2005). Even though Islam has been thought of as a traditional dogma from both its supporters and rivals, the issue is far more complex. Looking at any Islamic society, it cannot be denied that they all possess an advanced industry, bureaucracy and other elements deriving from the modern world (Harman, 1994). Therefore, it is misleading to use the expressions "traditionalists" or "fundamentalism", as the Islamic revival, rather than rejecting the modern world, has been seeking to hybridise old local traditions with "global modernity".

Adding to that, the Islamic world has also distinctively and questionably been gazed as an opponent and cultural "other" by the West. This can be seen in the vast Western literature on Islam dating back to the times of the Christian crusades (Hoogvelt, 2001:204). During the 19th century, an age of increasing scientific knowledge in the West, the study of the Islamic world came to

be known as the discipline of "Orientalism" which has served the European imperialist subjugation ever since. As remarked upon, this ontological differentiation resulted into a theorized, self-serving distinctiveness. Whereas the West (being pluralistic, rational and secular) was seen as economically vibrant**,** the Orient in opposition (being self-indulgent in religious obscurantism) was seen as economically undeveloped, traditional, particularistic and autocratic (Hoogvelt, 2001). These dualistic scientific constructions of Islam and the West, the "tradition" and the "modern", have also resulted in a counterpart to modernity, namely Occidentalism, which has equally constructed ideal types of the Western world (McDaniel, 2005:39).

## Islam, Women & Development

As already mentioned, a great amount of studies has emerged since the 1990s, signifying a collision between the West and the Muslim world through the set of certain values and behaviour. Significantly, numerous scholars have emphasized that Muslim societies have had slow development progress due to their resistance towards gender equality. David and Richard Landes, for instance, explain that the Muslim world's slow progress in relation to the West is due to the treatment of women. Accordingly, Ronald Inglehart and Pippa Norris suggest that Muslim countries constitute the most traditional societies internationally, partly because of their positioning of women in the society (cited in Moghadam, 2005:99-110). Because of the present interpretations of Islamic theology and law, where women's role as mothers and wives is emphasised and where a woman's worth is undermined legally, there is a general perception that women's legal standing and social status are bad in comparison to other societies. Therefore, it has been argued that gender inequality in Muslim countries has served as an obstacle to modernization processes. As outlined by Moghadam (2005), many Muslim societies in the late 20th century were marked by high female illiteracy rates, low female labour participation as well as high population growth accompanied by maternal mortality rates higher than the average. Consequently, these human development rates have continuously been linked to women's lower status in Western literature, and hence characterized as elementary outcomes of Islamic law and norms. Nevertheless, these perspectives can easily be challenged as the Islamic world is comprised of an enormous diversity of different countries and regions and should therefore not be dealt with as one single unit. Although agreeing that gender inequality can be a barrier to modernization, Moghadam states that 'the oppression of women is also a function of limited economic development and of the persistence of weak, corrupt and authoritarian regimes' (Moghadam, 2005:99-110).

She is certainly correct when one examines different ways of explaining Islam, depending on economic, political and social circumstances. As such,

when considering Iran, it is impossible to exclude the revolution and women's political and economic contribution since then. Take, for example, the role of women during the Iran and Iraq war from 1980 to 1988, which consequently politicized many women as they were forced to take active participation in the society. Equally, educational development in Iran cannot merely be explained without including the 1979 revolution. Thus, it is important to consider; (a) education and development in general and (b) specifically in Iran.

## Education, Modernity and Development

Educational changes in the era of globalisation have been tremendously high; a phenomenon indicated in figures between 1980 and 2010 (Abrahamian, 2008:2). This is due to factors such as the emergence of developing countries like Brazil, Mexico, China, India and also Iran. This process began when the position of education was formally recognised in 1948 when listed as one of the basic human rights in the United Nations Declaration of Human Rights. At present time it is widely accepted among academics, politicians and international organisations, that education plays a vital role in any sort of endeavour for development. In fact, as one of the world's biggest international organisation, the World Bank invests a great amount of money annually in educational schemes to developing countries believing that the enhancement of education is a means to eradicate poverty by factors such as increased individual income and improved health (Cornwell, 2002:159-60). According to Psacharopoulos (1988), the idea that education can be seen as a tool of investment contributing to development socially and individually is not something new. Indeed more than 200 years ago Adam Smith (1776) wrote:

> *A man educated at the expense of much labor and time...may be compared to one...expensive machine...The work which he learns to perform... over and above the usual wages of common labor will replace the whole expense of his education* (cited in Psacharopoulos, 1988:99).

Rooted in the orthodox economic analysis, the Bank uses the idea of the Human Capital Theory, where human capital is seen as the increasing capacity of human productivity[3]. Hence, the Human Capital Theory determinedly rests within the scope of neoclassical economics where the 'creation of human capital is the creation and distribution of new wealth' (WB, 1995:27 cited in Fine & Rose). In the same way as the improvement of health is supposed to enhance individual productivity, so too is education perceived as a contribution to the human capital development (Kambhampati, 2004:228).

Consequently, the characteristics of education are identified by modernisation theorists as a necessary means for a society to transit from tradition to modernity in which education is an intellectual institution with the biggest force in influencing the culture, politics and ideology of the society (Agahi et al, 2008). More decisively, the importance of improving access to education

for girls and women has been emphasized as the social and economic benefits would multiply. However, as acknowledged by many writers such as Hill and King (1993), as well as by international governmental organisations, non-governmental organisations and governments, there exist, still today, huge gaps between men's and women's education, with the latter lagging far behind (Hill and King, 1993). This, however, is uneven as some developing countries such as Iran have high attendance in schools and universities, even though traditional forces based on religious hierarchy have been in power since 1979. Whether this is a conscious decision or not, the attendance of women in both schools and universities could be interpreted in various ways.

## Higher Education in Pre- and Post- Revolutionary Iran

In assessing the nature of women's entry to higher education in post-Revolutionary Iran, it is vital to delineate the different developmental approaches applied in the periods before and after the revolution. In doing so, this section will seek to highlight the paradoxes of "tradition" with the "modern" when applying a universal understanding of progress in different societies.

Within the context of "Third World" countries, education represents a vital institution as it lays the basis for a technological society. For pre-Revolutionary Iran, this signified the realization of the Pahlavi dynasty's modernization programmes. Given that universities in various countries have been subject to demands of expansions and amended curricula, in many countries the reforms of universities have created matters of controversy. This has been demonstrated throughout Iran's higher education history, which is relatively short and in the case of women stretches back to 1932 when the University of Tehran started to accept a few urban elite women (Aghati, et al. 2008). During the Pahlavi dynasty, a majority of higher education institutions, regardless of being private or state owned were situated in Tehran, the capital. Looking at post-revolutionary Iran, there has been a tendency toward decentralisation, specifically in regards to growth and accessibility of higher education. While enrolment opportunities have been increasing, access to higher education is especially apparent for women who are currently dominating most programs (Agahi et al, 2008:243). Hence, there has been a noticeable shift from the previous secular education system through the new establishment's Cultural Revolution, going against the Western assumption of universal progress. Yet, since the revolution in 1979, the population of Iran has nearly doubled and human development and social protection have improved remarkably (UNDP, 1999). From 1988 onwards, life expectancy has risen from 61.6 to around 70 years and the adult literacy rate that was 41.88 percent just before the revolution has leaped to 84 percent (Abrahamian, 2008:2). Thus, these forces of progress in the Islamic Republic of Iran have created a paradox between the notions of "tradition" and "modern".

Entering the 20th century, Iran was still characterized as being a feudal and conservative state. Before the Iranian revolution in 1979, the Pahlavi dynasty implemented policies following the modernisation theory with a top-down approach leading to centralisation and autocracy. For instance, before 1925 the country's few institutions were all situated in Tehran withholding less than 600 students (Abrahamian, 1982). However, this changed with Muhammad Reza Shah[4], who aimed to build a considerable state formation by modernizing the industry. In 1963 he announced the fundamental elements of the White Revolution[5], which included land reforms[6] and other transformations at different levels aiming to modernize the country by surpassing the living standards of Europe. The Shah positioned education as a vital element of the White Revolution and invested in literacy corps, which – along with the rest of the public system – were based on a secular French version.[7] By initiating social programs, the White Revolution resulted in a threefold expansion of educational institutions. For instance, enrolment in elementary schools increased from 1,640,000 to 4,080,000 rising from 370,000 to 741,000 at secondary level and additionally from 24,885 to 145,210 at college level (Abrahamian, 2008). Gradually, the literacy corps, facilitated as a part of the White Revolution, allowed young men under military service to teach in rural villages, which, in return, contributed to an increase in the literacy rate from 26 to 42 percent. Thus, in terms of progress[8], the Shah managed to develop certain sectors within the society (Abrahamian, 1982). The modernizing improvements further gained currency by including women's issues. For instance, the 1976 Family Protection Law raised the age of marriage for women to 15, curbed men's overriding divorce and custody rights and restricted polygamy. The rights gained by women included the right to vote, to serve within the judiciary as lawyers and eventually as judges as well as the right to run for elected positions. The attempt of the Western-educated members of the government and its administrators to "trickle down" the development of social services to segregated villages also led to urbanization tendencies, where 75 percent of rural citizens were encouraged to migrate to the bigger cities. Hence, the country was shifting towards "modernity" (Abrahamian, 2008:137-8).

However, by envisioning a "top-down" developmental model, the regime employed policies which channelled oil wealth to the elite. Consequently, rather than dispersing prosperity, the wealth stayed fixed at the top generating circumstances similar to that of other "Third World" countries. Thus, during the 1950s, Iran verified as having one of the Third World's largest unequal income distribution, which according to the International Labour Office, had further escalated to become the world's worst in the 1970s (Abrahamian, 2008:139-40). Subsequently, development was characterized by an uneven progress, undermining the neoclassical view that wealth would "trickle down" through educational means by eradicating social disadvantages. For instance,

job opportunities were not growing in line with the expanding educational facilities and hence, failed to result in wealth[9]. Although industrial production was enlarged during the previous regime, Halliday (1979) and Nima (1983) acknowledged that a considerable fraction of the oil revenue, rather than improving population conditions, improved the wealth of the elite (cited in Aghati et al. 2008). The Shah's aspiration to bring about state rule over universities as well as other public and private establishments politicized a vast bulk of the population by involving increasing bureaucracy in people's lives. By enthusiastically pursuing pro-Western policies, he did not only overlook the uneven development generated but also provoked the influential Shi'a ulama[10]. Just like the access to universities increased, so did it equally provide the traditional middle class with widening enrolment opportunities. However, as the institutions were controlled by the pro-western elite, it arguably provoked and vindicated the traditional middle class section's devotion to Islam. In addition, the Shah's imperative was increasingly becoming arbitrary leading to the first public protests against the system in 1977. As the institutions for higher education lacked practical sources for participation, their contribution to the development of the state failed to provide efficiency. Instead, they turned into political activity midpoints highly influencing the protests and unrests amongst the people which led to the Iranian revolution in 1979 (Agahi et al. 2008). The question then is, why a modernizing secular state, driven by rational reasoning failed to end the traditional forces within the society?

The 1979 popular revolution in Iran managed to overthrow a secular monarch strongly supported by the West and replaced it with theocracy; hence, a traditional force was established as a head of state in a supposedly increasing globalizing world. Religious and political authority converged and the state embarked on a fierce process of Islamization. Yet, the revolution was not the outcome of Islamism but rather the product of an uneven development taking place under the pro-Western Shah regime which had continuously intensified the class divisions within Iran. However, the poorer traditional middle class managed to gradually seize power by comparatively appealing to different classes and successfully eliminating any opponents by using an anti-imperialist language (Harman, 1994). For instance, in the immediate post-revolutionary era, the intense political debates and activities continued to occupy space within university centres, specifically on the campus of Tehran University (Behdad, 1995). Therefore, the Revolutionary Council implemented measures of Islamization by closing all academic institutions by April 1980. This renewal was delegated to the Council for Cultural Revolution. The defining moment of closure was highlighted in a speech by Grand Ayatollah Khomeini stating:

> *Our universities are foreign dependent. Our universities are of the colonial type. Our university students are Westoxicated (gharbzadeh).*

> *Many of our university professors are at the service of the West. They brainwash our youth... Because of their simple-mindedness, the young have believed in the false education that they have received from some of their professors. Now that we want to set up an independent university and make fundamental changes, so that it would not be dependent on the West and Communism, depend on Marxism, they confront us.* (cited in Behdad, 1995:94).

Thus, Khomeini stressed the importance of education by strongly relating it to the importance of Islamic values and anti-imperialist dependence, whether be it from the East or the West. As remarked upon by Afshar (2007), the new regime's objective was to "clean" the academia from the influence of the so-called foreign-oriented imperialism by reinstating it with a new content in line with state ideology. By using an anti-imperialistic language, the state managed to maintain an image that both the poor and the rich could identify with, stressing the importance of Islamic values against "cultural imperialism" (Harman, 1994). Indeed, the only institutions that were closed for up to 3 years were the universities. When they reopened in 1983, almost one third[11] of the previous professors, many of them associated with the left, were compelled to retire because of the far-reaching ideological purging. Although the quality of academia was harmed at first, it was yet again emphasised in 1989 – with Rafsanjani in presidential office – that the quality of academia would lead to progressive development (Hunter, 1992).

Nonetheless, it was not merely up to the different presidents in office but also other factors that contributed to the way development proceeded in post-revolutionary Iran. For instance, the 1980s were characterized as a stagnant decade in respect to Iran's development due to the 8 years of war between Iran and Iraq. Instead of investing money in developing Iran's human and material infrastructure, it had to be used in financing the war[12]. Therefore, it was not until the war ended that the Islamic Republic of Iran was able to implement developmental policies. This very fact expressed itself within the measures taken to improve the construction of public buildings such as universities in the early 1990s. In order to develop the national economy, education opportunities were required as Iran, by then, had a huge population of young people (Sedgwick, 2000). Evidently, significant progress was made as the number of universities increased, curricula expanded and free access to higher education was enabled in remote areas through distance universities. Bazargan, (2000), for example, observed that during Iran's short history of higher education the growth rate of university students remained relatively low until after the 1979 revolution. For instance, figures from the Middle East Institute's Viewpoints Special Edition, not only indicate an increase in the average year of schooling by cohort[13], but also the decentralisation of education.

As verified by the data given, the opportunities for higher education – re-

gardless of factors such as rural or urban, rich or poor – have been increasing. As such, Iran has under the control of clergymen been subject to cultural ideological changes divergent from the standardization of a global culture; the country put across a high and rapid developmental growth within its higher education sector. Whereas most higher education institutions during the Shah administration were situated within the capital city, during the last 30 years the number of student enrolments has risen by nearly 14-fold. This trend of an increasing accessibility and growth confirms a transition en route for decentralization. The dispersion of private and public universities in line with an increasing budget allocated for research has arguably provided the higher education of the country with further developments. The access to higher education has expanded resulting in increasing participation of students from different classes and structures of the society (Aghati, et al., 2008).

By examining political, economic and social forces in the context of globalization- modernization debates, it becomes illogical to conclude that development occurs through a linear direction, that is, from the tradition to the modern. As a result, it has mistakenly been assumed that the Iranian Revolution of 1979 was a "backward" revolution in which the society returned to traditional bygone days. In this respect, it can more accurately be compared to a populist "Third World" movement that went against the Communist East and the Capitalist West, obtaining an Anti-imperialistic outlook (Abrahamian, 1993). By perceiving the Islamic Republic as one ruled by a fundamentalist regime, they rather prove that Orientalism – the dichotomous view of the East and the West – is still prevalent. But, the developmental progresses demonstrated during post-Revolutionary Iran in terms of higher education has signified a different social change than the one outlined by modernization theorists. And more importantly, it has undermined the most common perception of contemporary globalization as an increasingly standardized, homogenous world, shaped by technological innovations, trade and cultural synchronization coming from the West. Most significantly, this has been shown through growing records of women's entry into higher education in post-Revolutionary Iran.

Likewise, a popular Western image of Islam is that it intrinsically defies, consistently mistreats and oppresses women. Certainly, this adds on to the Islamophobia that exemplifies most Western assessments of Islam (Kamalkhani, 1998:177). The discussion regarding Islam and women reproduces, to a certain degree, the issues of tradition, modernization**,** Islamic revival, political influence and domestic issues in the present-day Muslim spheres. By positioning women on the periphery of society, they are also being placed at the core of the conflicting binary oppositions of the West and Islam, Islamists and secularists, as well as in the debates regarding human rights agendas based on the prevailing universal normative thinking.

In regards to Iran, the Constitution of the Islamic Republic affirms that women have been represented as being the most benefiting recipients of the revolution as it has allowed them to go back to their 'true non-exploitative, non-imperialist identity and human rights' and to their basic rights as a foundation for the home and the family (cited in Afshar, 2000:188). This is expressed in the following way:

> *The fundamental unit of the society and the central kernel for growth and development of humanity which must be nurtured and protected...is central to our creed and it is the duty of the Islamic republic to achieve this end...such a position on the family removes women from being objects of pleasure or tools of production and frees them of the burden of exploitation and imperialism and enables them to find once more their critical duties of motherhood and raising humanity* (cited in Afshar, 2000:188-9).

Similarly, the Iranian revolutionary slogan emphasized independence, freedom and justice. Whereas independence was seen to have been realized with the defeat of the Shah's pro-American regime, freedom and justice have been subjected to controversies. In respect to women's position, one of the opening proceedings of the Islamic Republic was to disassemble the Family Protection Law[14]. The rights of women came to be subjected to judgments of Islamic jurists whilst gender relations in both the public and domestic spheres became constrained through segregation policies outlined in ancient jurisprudential texts. The theocratic regime initiated other assessments that significantly changed the legal and social position of women within the society. Not only did it prohibit them from serving as judges or practising as lawyers but it also barred them from other domains of occupations, professions and most importantly studies (Moghadam, 2002:1137). The classification of women's position under the Islamic Republic was discovered in full through the 1986 national census which provided figures of increasing fertility rates, population growth, a deteriorating female labour participation and stagnant literacy and educational development. In short, a gender proportion that favoured men. Thus, in the early days of the Islamic Republic, the position of women confirmed the ongoing Western debates about women's issues in contemporary Muslim societies (Moghadam, 2002:1138).

In the early days of the Islamic Republic and as a consequence of the Cultural Revolution, women were excluded from 54% of subjects taught at higher levels of education when universities reopened. Nevertheless, the 1991 national census showed that 67.1%[15] of the overall female population older than 6 years were already literate. Hence, with regards to those who had already finished their secondary education, the state had difficulties in preventing them from progressing further on an educational level. By examining further advancement, such a development can be demonstrated by taking into account that, in 1991, the ratio of girls in secondary education decreased to

43.13 percent whereas the ratio of boys increased to 56.87 percent. However, out of every six females undergoing secondary schooling, five managed to complete their education in contrast to four out of every eight males. Accordingly, requirements for women entering university decreased, and as a result women secured 18 percent of the places in the 1992/1993 academic year. This continued and further provided 40 percent of university places for women by 1994, along with a 25 percent quota within specific medical fields and 18 percent within law. Ultimately, in the same year, the High Council of Planning consented on removing the ban on women from studying humanities, engineering, sciences and art (Afshar, 2007:426). Time series data obtained from UNESCO which cover the years from 1996 to 2003 show that this evolution of increased level of access to higher education for women has continued until today (Tavakol, n.d: 16).

In recent years, the number of Iranian women attending higher education has risen dramatically to more than 60 percent out of 2 million students in higher education. 30 years ago, only 17.5 percent out of 100,000 students were women and this in comparison to today is arguably an unforeseen development under the Islamic Republic (Esfandari, 2003). By being a country which has supposedly gone back to 7th century religious scripts, and is therefore seen as "backward", Iran has paradoxically managed to provide developing elements which in regards to contemporary globalization, be it culturally or politically, are seen as transitions towards "modernity". Thus, the vital question is how such a development can be explained. Even for a society that has fused political and religious authority and ignored the "liberal idea" of individual freedom, it has still managed to provide figures indicating a gender progress.

As already mentioned after the inception of the Islamic Republic, the revolutionary leader Ayatollah Khomeini praised the responsibilities of women as being mothers, wives and also as educated citizens under the Islamic Republic of Iran (Gheytanchi, 2001:564-5). Whereas, some have argued that the Cultural Revolution and its Islamization effect on the society has left women marginalized, others have argued that rather than being an immutable traditional force, the dynamic character of Sharia, its rationality and not irrationality has allowed space for women's involvement in the processes of continuity and change; for the foundation of education has continuously progressed with an increasing pace since 1989 (Rostami-Povey, 2001:45). This evolution has not only undermined modernization perspectives on change but also that of Orientalist thinking. Founded on the doctrine of velayat-e faqih,[16] the development of higher education in post-Revolutionary Iran has indeed created controversies, as it has been in favour of women under a traditional theocratic regime (Shavarini, 2006:43). Taking such continuity into account clearly puts forward a certain set of questions. For instance, what has driven these forces

to create such a controversy? And most importantly, is there a need to apply a "third way" or a new understanding to the notions of modernity and tradition or globalization and anti-globalization?

## The Hybridization of Forces

After the revolution, Grand Ayatollah Khomeini proposed a state dominated by religious scholars, in which both political and religious primacy was vested in a supreme religious leader or council. The Iranian revolution constituted the first time in the modern era in which a revolution occurred with the dominant ideology of the public spokesmen being expressed through religious aspiration. For example, given that Islam is perceived to be not merely a religion but also a way of life directing the political, social and economical practices, this has equally been equated with a return of the society to the 7th century era (Morady, 1993). This one-dimensional analysis holds that the Islamic Republic of Iran is perceived as being irrational, traditional and hence "backward" representing an obstacle to modernization. However, indicators of social changes since the foundation of the Islamic regime clearly challenge the idea that Islam is a homogenous belief system that does not allow space for change (Morady, 2010). In this respect, it is also inaccurate to see it as a purely anti-imperialist force, for it has rather been a petty bourgeoisie movement deriving from the poorer middle class. Arguably, this faction – by using an anti-imperialist language, reaching out to the poor and the rich, the oppressed and the oppressors alike – has been able to maintain its position both locally and globally. More obviously, the aspiration to reconstruct an ideal society in accordance with ancient times entails a restructuring of the present; yet, this does not accurately mean that the society is revisiting the 7th century. In respect to Iran, the argument does not hold validity as the society is still maintaining modern elements derived from its past. Hence, it is inaccurate and illogical to apply fundamentalism to such a case, as the following makes clear:

> *Fundamentalism implies rejection of the modern world. Islamism in Iran is about ideological adaptability and intellectual flexibility, with political protests against the established order, and with socio-economic issues that fuel mass opposition to the status quo* (Abrahamian, 1993:2).

Part of this state ideology was strongly asserted in the Constitution of Iran, stressing that women have been the greatest beneficiaries of the revolution. However, the politicizing of religion consequently led to tremendous gender inequalities during the first two decades of the Islamic Republic (Afshar, 2000:188). During the same period and onwards, the combinations of a set of factors have served to challenge numerous policies of the regime working in

advantage for women. Firstly, the Iran and Iraq war politicized many women as they had to take active participation in maintaining the society through various means such as producing food, joining in street demonstrations and providing soldiers with medical aid; this also resulted in employment opportunities for educated women. Secondly, with the death of Ayatollah Khomeini in 1989, president Rafsanjani aimed to integrate the country's economy in the global economy and so applied programmes for economic liberation to reinstate a capitalist society. Therefore, state ideology insisting on firm segregation in the construction and employment of knowledge worked against the requirements of managing a market based economy as it necessitates women's labour and purchasing power. Refusing women's entry in certain fields of higher education conflicted with the post-war policies of the state which emphasised the reinstatement of a liberal capitalist based economy (Moghadam,2002:1136-8). Thirdly, the "New Religious Thinking"[17] in the late 1980s came to constitute the cornerstone of the reformist thinking,[18] emerging with Khatami's presidency in 1997, which further allowed space for progress. Fourthly, the strict segregation policies and the practices of the "hejab" have additionally enabled many religious women to enter higher education.

By claiming that equality and modern lifestyle of Iranian women simply turned them to sex objects under the Shah's pro-Western regime, the Islamic Republic employed a revolutionary rhetoric based on the Islamic discourse that would salvage women by institutionalizing a paternalistic Islamist doctrine. Yet, this same rhetoric allowed the middle and lower class women to participate in the public sphere by joining in revolutionary activities, and thus enabled them to become full citizens (Gheytanchi, 2001:560). However, as already mentioned, this development has not occurred unexpectedly, as the Islamic Republic is running a capitalistic state which cannot exclude female labour forces from essential economic sectors. Additionally, in the 1970s, the impoverished middle classes encouraged their daughters to study as this would enhance their employment opportunities, and hence contribute to the family income. As the Islamic Republic partly originated from the petty bourgeoisie, it is not surprising that this encouragement has continued until today (Harman, 1994). These dual conditions under the Theocratic regime have allowed for both continuity and change. In this respect, it has resulted in an increasing enrolment of women into higher education. Yet, this does not mean that Iran has a fully effective civil society, as demonstrated in recent years by many women's movements, NGO's and different civil society groups or as seen recently in the post-2009 elections. More accurately, state ideology has worked as an expression of anger and bitterness towards external forces, using the dynamic nature of Islam. And as such, it has been able to hold on to power by appealing not only to those undermined by the forces of globalization, but also to the rich. Evidently, the theocracy in Iran is not acting irrationally,

as modernisation theories have mistakenly postulated. These theories have rather attempted to maintain an ideology – simply based on the "primacy of the West" – which holds that all societies are moving towards the same destination. Therefore, one cannot talk about a society in which the modern and traditional forces are mutually exclusive or an unsolvable paradox; they arguably co-exist in the form of hybridization of the aforementioned theories.

## Conclusion

Although the concept of globalization is comprised of a multidimensional process not reducible to a single logic, the most common perceptions amount to the growing international economy, serving a neoliberal agenda of free flows of capital and consumption. As already mentioned in the first part, it has been argued that these processes transcend the power of the state through technological innovations, trade and cultural synchronization, shaping ideologies into a standardized and homogenous world. Stemming from the history of the West, such as the industrial revolution, a differentiation between the traditional and modern society has been constructed by delineating the transition from the first to the latter. Likewise, the new world order hegemony is contingent upon changes of values, norms and attitudes. Therefore, the unilinear transition from the tradition to the modern implies a political secularisation leading to rationalization, industrialization and standardization of economic systems. This includes the expansion of societies leading to increasing interdependency which will provide all human kind from different social strata with freedom and prosperity. Given these certain stages of development, the Iranian Revolution in 1979 undeniably came to challenge contemporary globalization by replacing a pro-Western secular monarch with a theocratic head of state.

Nevertheless, as this challenge has continuously been associated with fundamentalism, it reveals that the Orientalist understanding of dual oppositions are still prevalent. This is specifically evident in the one-dimensional model of equating the Iranian society with the 7th century era. Conversely, by looking at the rising level of women's access to higher education in post-Revolutionary Iran, the idea of it being a backward state proves to be illogically mistaken. Additionally, as outlined in chapter one, the leading revolutionary spokesman, Khomeini, used a revolutionary rhetoric that was more in line with Third World populism, proclaiming to provide freedom, justice and equality to the people by eliminating the exploitative capitalist and imperialist forces. Therefore, instead of claiming a return to old bygone days, the revolutionary rhetoric has worked more according to the sceptical view of globalization. The sceptics argue that the new global order hegemony is still serving old-style geopolitics. Similarly, the Islamic Republic of Iran persistently refers to the oppressors in its appeal to the excluded and marginalized by upholding an

anti-imperialist rhetoric.

As demonstrated, Khomeini stressed the importance of education as an essential Islamic value in discarding dependence on external forces. For that reason, the discussions concerning Islam and the West, Islam and modernity, and rational reasoning and faith, seem to constitute a more complex phenomenon than that of the transition from the tradition to the modern. More accurately, the state is using a "traditional past" and "modern present" within the global village in order to maintain its position politically. Women's increasing entry into higher education under the Islamic Republic of Iran provides a significant reflection on this hybrid condition through which the state operates. Firstly, because education signifies an important developmental tool that leads a society towards modernity; and secondly, because Muslim societies are perceived as being the most traditional or backward societies, globally, due to the presence of a comparatively higher level of gender inequalities. Thus, it is not merely tradition that has dominated this sector but also modernization that has been imposing itself on Iran. By diverging from a global consumerist culture on the one hand and yet converging economically through an oil industry on the other, Iran has been able to hybridize the different forces and perform developments signifying transitional forces. Hence, the Islamic Republic's dual conditionality has allowed for both continuity and change. Most remarkably, it has shown that the contemporary Islamic regime, under the rule of clergymen, is not immune to forces of change as both economic circumstances and resistance from different social forces, such as women's resistance, pressure the leaders to place modern rights on their agendas. As such, modern and traditional forces are not mutually exclusive, as they co-exist sometimes in mutual benefits and at times in conflicting interests. Clearly, as indicated throughout this paper, theocracy, developmental improvements and growth are not contradictory in term but can rather co-exist in a hybrid condition.

## Notes

1. What has come to be termed "classical sociology".
2. Whereas a great majority of Muslims are Sunni, the Shi'ites constitutes a sizeable minority, for whom the Imam, an inspired person, is the core of religious authority. Sunni Islam constitutes the largest division of Islam. It differs from Shi'ism in its belief of who succeeds the Prophet Mohammad. By locating the authority of religious inspiration in a straight line of succession from Ali, the son in law and cousin of the prophet Muhammad, they separated themselves as branch in the early days of Islam. When the twelfth and last Imam disappeared in AD878, he came to be known as the "Hidden One". In an early date of Persia, the Shi'ites started a nationalist movement that at last dislodged the Arab domination prevailing at that time, and hence Shi'ism came to constitute the national religion of Persia, later Iran. See

Hoogvelt, 2001.

3. This is based on the belief that through skills, attitudes and acquaintance, education enhances labour efficiency and provides greater job opportunities for the poor.
4. Mohammed Reza Shah was the last monarch of Iran. He was in power from 1941 until the Iranian Revolution in 1979. See Abrahamian, 2008.
5. The White Revolution in 1963 included a great amount of reforms that Mohammad Reza Shah claimed would modernize the country. See Abrahamian, 2008.
6. The land reforms emphasized the abolition of the feudal basis of land ownership.
7. The French Version of secular education implies a division between the state and religion.
8. Other improvements: Number of doctors rising from 4,000 to 12,750, medical clinics from 700 to 2,800, the elimination of childhood epidemics and famine. According to the national census, these improvements led to a population increase from 18,954,706 in 1956 to 33,491,000 in 1976.See. Abrahamian, 2008
9. This was demonstrated by increasing gaps between the rich and the poor, the rural and the urban regions resulting in frustrations over unemployment throughout the country.
10. Ulama is the name for Shi'a Clerics.
11. Around 13,900 University Professors had to retire or escape the country. Many of them were non-Muslims and labelled as lefties. See Hunter, 1992.
12. Hunter (1992), estimated that $5 billion were spent on the war annually (Cited in Aghati, et al. 2008).
13. Cohort implies a group of a particular theme that has shared similar experience during the same time.
14. The Family Protection Law was established in favour of women during the Mohammad Reza Shah period. See. Section 3.1
15. 14.9 million overall female population.
16. Rule of the Islamic jurist.
17. The New Religious Thinking base their idea on a divergence between religious knowledge and religion arguing that the first one is subject to human intervention whereas the second one is sacred and unchangeable.
18. Rather than Islam being rigid, they claim that the human understanding of the religion is flexible, dynamic and allows space for change.

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# 7

# Development, Women's Resources and Domestic Violence

*Şevket Alper Koç*
*&*
*Hakkı Cenk Erkin*

## Abstract

*Gender inequality is a major obstacle to development as unequal power relations restrict women's economic options and undermine economic growth by depriving women of their basic rights. Domestic violence is an overt manifestation of gender inequality. On the other hand, carefully designed development policies could empower women and decrease domestic violence. In this paper we offer an explanation for the existence of violence in a marital relationship based on the wife's dependency on her husband, the husband's attitude towards violence and his gains from using violence. We construct a non-cooperative dynamic game theoretical model in which information is incomplete. We assume that the woman does not know the type of her husband and she decides to stay or divorce after she observes his behavior towards her. Her decision depends on her own resources such as her wealth, social support, employment opportunities and potential wages. We show the conditions under which the marriage remains intact or ends. There exists a pooling equilibrium where women who have few options outside marriage experience violence. Women's empowerment decreases wife abuse by increasing women's resources and by changing the social customs legitimizing a husband's use of violence.*

## Introduction

Domestic violence has been receiving worldwide attention in the last two or three decades. It is a grave social problem observed in most, if not all, cultures[1]. Victims of domestic violence suffer from a wide range of health problems including bruises, fractures, chronic pain syndromes, gynecological disorders, depression, post-traumatic stress disorder, sexually transmitted diseases and unwanted pregnancy (World Health Organization, 2002). At its extreme, domestic violence precedes homicide or suicide.

Domestic violence also creates significant costs for the society. Direct costs are expenditures for violence related health and social services and law

enforcement. Indirect costs, which are thought to be significantly larger because of their long-term effect on economic growth, include many diverse effects of violence such as lower income resulting from job loss, decreased productivity at the workplace, lower labor force participation, worse health and educational outcomes for children and transfer of violence to the next generation (Morrison and Orlando, 1999). Beyond imposing economic costs, domestic violence also impedes development by depriving women of such basic human rights as the right to life, liberty and security of person and the freedom from torture or cruel, inhuman or degrading treatment or punishment.[2]

It is generally accepted that women's empowerment decreases gender inequality and domestic violence.[3] Empowerment works through many channels: participation in the political process and representation in the parliament, enactment and implementation of laws protective of women, access to higher education and vocational training, participation to the labor market and access to well-paid jobs. Moreover, women's rising status initiates a favorable change in gender norms.

The United Nation's Declaration on the Elimination of Violence Against Women in 1993 defined violence against women as "any act of gender-based violence that results in, or is likely to result in physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivations of liberty, whether occurring in public or private life". This definition includes violence by strangers or organized groups, rape, sexual harassment, women trafficking as wells as violence in the family.

Domestic violence refers to violence between romantically involved couples, but the common perception among the public is the case of wife-beating (Johnson and Ferraro, 2000). Likewise, we focus on spousal violence in our model. Surveys in the US and other developed countries revealed that men are almost as likely to be victims of domestic violence as women. Although there is an on-going debate about the comparability of violence committed by women to violence committed by men, in terms of its effects on the victim, it is generally accepted that men inflict more pain and create fear whereas women are more likely to engage in relatively minor acts of aggression (Anderson, 2010). Surveys in developing countries with more traditional values do not find this bi-directional pattern of violence. Here, we restrict ourselves to the case where husbands are the perpetrators and wives are the victims.

We focus on physical domestic violence in this paper. Although emotionally hurting acts or sexual relations forced on a spouse might be as damaging, physical abuse is what most people think of when they conceptualize violence between spouses. It has been extensively studied, probably because of its conformity to the perception of the public and its relatively easy measurement. There has been a tendency to differentiate physical domestic violence

in terms of severity and frequency of the incidents, the purpose of violence and its physical and psychological effects on the victim. We employ two of Johnson's categories, namely intimate terrorism and common couple violence (Johnson and Ferraro, 2000). The former is repeated, long-term and severe violence used by men to dominate and control their wives, while the latter is occasional, non-systematic and mostly minor violence that arises out of daily conflicts of marital life.

Domestic violence is a multi-dimensional issue, the analysis of which has to be carried out at the individual, household and community level to reveal its complexity. However, there are major explanatory factors that have received more attention from researchers. Women's lack of alternatives outside marriage, especially their economic dependency, has been shown to be a major risk factor. We summarize the results of some of these studies in section 2.

In this paper we offer an explanation for the existence of domestic violence based on the wife's dependency on her husband, the husband's attitude towards violence, and his gains in the marriage from using violence. We construct a non-cooperative dynamic game theoretical model in which information is incomplete. We assume that the woman does not know the type of her husband[4] and she decides to stay or divorce after she observes her husband's behavior towards her. Her decision depends on the resources available to her in case of divorce such as her wealth, support from her family and the community, employment opportunities and potential wages. We show the conditions under which the marriage remains intact or ends. We proceed as follows: In section 2 we give a brief literature review that explains our motivation and supports our findings. In section 3, we summarize previous economic models of domestic violence before we delineate our dynamic incomplete information model. Section 4 analyzes the equilibrium of the model and shows that there are two pooling equilibria, one with domestic violence. And finally section 5 concludes.

## Literature Review

Women's lack of power and their dependency on marriage for livelihood has been pointed as a risk factor for violence since the early days of domestic violence research. Women who have few alternatives outside their marriages cannot credibly threaten to take action, including divorce, against abusive husbands.

Straus (1976) argues that it is difficult for women to divorce abusive husbands because of sexual inequality in the society. Fewer job opportunities open to women and pay discrimination against them make many women economically dependent on their husbands. On the other hand, cultural norms force women to value motherhood and family life above their careers. In case of divorce, women are seen as primarily responsible for the failed marriage.

Gelles (1976) finds that less educated women and women who do not work for pay are forced to have a low threshold of violence, and they are less likely to divorce or take legal action if they become victims of domestic violence. Basu and Famoye (2004), in a similar study, show that economic dependency increases the frequency of violence.

Women with young children under 5, as well as women who are not working or working but earning 25% or less of the family income are more likely to experience severe domestic violence (Kalmus and Straus, 1982). Economically better off women who are only psychologically dependent on their husbands are at risk of only minor violence. Tauchen, Witte and Long (1991) show that, as their share of family income increases, low income women are less abused. They argue, similar to MacMillan and Gartner (1999), that women's employment decreases domestic violence only if their husbands are also employed. Unemployed husbands react with more violence to their partners' labor market participation.

Aizer (2010) reports that when labor market conditions for women improve, and so their wages increase relative to men's, severe domestic violence as measured by female hospitalizations for assault decreases – even for non-working women. Higher potential wages reduce women's economic dependency on their partners.

Strube and Barbour (1983) track women who are victims of moderate to severe domestic violence over time and find that employed women are more likely to leave abusive relationships. Women who had given economic dependency as their reason for not leaving in the first survey were least likely to leave in the second survey. Although women who face severe and frequent abuse are more likely to divorce, college educated women are most likely to end an abusive relationship (Kingston-Riechers, 2001). Bowlus and Seitz (2006) similarly show that severe domestic violence is the most important predictor of divorce, and a wife's employment reduces the risk of violence because working women are more likely to divorce abusive husbands. Abused women in their sample have less education compared to women in non-violent marriages.

Farmer and Tiefenthaler (2003) argue that the decline in domestic violence in the US, as shown by surveys, can be partly explained by the increase in the number of college educated women and the provision of legal services to abused women. Both trends help women escape abusive relationships by increasing their options.

Studies carried out in developing countries similarly reveal the significance of women's economic power. Panda and Agarwal's (2005) findings for India reveal that women who own property are less likely to face physical abuse. Employed and better educated Palestinian women are at less risk of domestic violence (Haj Yahia, 2000). Women with children and without financial alter-

natives to marriage are more likely to experience physical abuse and less likely to seek divorce in Egypt (Yount, 2005). Bobonis, Castro and Gonzales-Brenes (2009) show for Mexico that even a temporary increase in a wife's income decreases domestic violence. Women who received conditional cash transfer for sending their children to school experienced less violence than other women in comparable non-participating households.

## Model

Conflict in the family has long attracted economists who initially employed cooperative bargaining models and later non-cooperative game theory as tools of analysis. Although Becker's approach, where family members act as if they are maximizing a single joint utility function, was widely used in family economics, it ruled out conflicting interests between family members (Bergstrom, 1996).

Cooperative bargaining models offered an alternative for analyzing intra-household distribution issues. In these models, family members have separate preferences on how to share the surplus (household public goods) created by marriage, and the surplus gets distributed based on the power distribution within the family. The spouse who has better opportunities outside marriage is more powerful, since he or she is more likely to walk away for any given distribution of the marriage surplus (Manser and Brown, 1980; McElroy and Horney, 1981).

Aizer (2010) studies the relationship between labor market conditions and domestic violence in a cooperative bargaining model. She shows that an increase in a wife's relative wage increases her power in the marriage by decreasing her utility loss in case of divorce. Both spouses' utility functions include consumption and violence, with violence increasing the husband's utility but decreasing the wife's utility. As the wife's out-of-marriage options improve, the husband has to decrease violence to keep her marriage utility at least as large as her outside utility.

Cooperative bargaining models require that family members maximize the surplus before they share it; therefore, any outcome, which leaves at least one party worse off without improving the others' situation is ruled out by assumption. Non-cooperative game theory avoids this restriction and offers more modeling possibilities to account for coercion and inefficiency implied by domestic violence.

Tauchen, Witte and Long (1991) investigate the relationship between income and domestic violence in a non-cooperative model. The husband is the dominant spouse and can use violence to coerce his wife to behave as he prefers or he may simply derive pleasure from inflicting pain. The wife decides on her level of obedience and both spouses choose the amount of transfer to be made to the other party. The marriage remains intact as long as the mar-

riage utility of each spouse is not less than his or her outside utility. Income takes an important role and can work both ways, depending on who controls it: a husband can "buy" more violence by transferring some of his income to his wife when she is held at the minimum utility to stay in the marriage or she can "bribe" him to escape violence – therefore, more of her income reduces violence.

Farmer and Tiefenthaler's (1997) non-cooperative model suggests, in line with the predictions of cooperative bargaining models, that employment, higher income, better support services, etc. decrease the level of violence in the relationship by making a wife less dependent on her husband.

Bloch and Rao (2002) and Farmer and Tiefenthaler (1996) build dynamic models where use of violence and escape from violence, respectively, function as signals to the other party. Bloch and Rao (2002) suggest an explanation to high marital conflict and wife abuse related to dowry disputes in India. A husband's satisfaction with the marriage is private information, thus, the wife and her family cannot observe it. Unhappy husbands demand income transfer from their wives' family for not divorcing. They can use violence as a signal to reveal their dissatisfaction. When a wife's family observes violence, they have to decide whether to make the transfer or not. According to Farmer and Tiefenthaler (1996), women in abusive marriages know their threat points or utility of out-of-marriage opportunities, but their husbands do not. An abused wife can leave home and stay at a shelter temporarily to signal her low tolerance for violence. Then the husband has to decide on the level of violence by considering the probability that she might not be bluffing. The model has an equilibrium with a lower level of violence where even women with high tolerance for violence benefit from using shelter services.

Bobonis, Castro and Gonzales-Brenes (2009) adapt Bloch and Rao's (2002) model to analyze the impact on domestic violence of a conditional cash transfer program in rural Mexico. Husbands unhappy with their gains from marriage try to extract income or obedience from their wives by threatening them with violence. Violence leads to inefficiency, as some of the marriage gains are lost in case of abuse. The researchers show the existence of an equilibrium where an increase in the wife's income decreases the level of physical abuse, even though the husband makes more threats.

Bowlus and Seitz (2006) build a dynamic model relating domestic violence, employment and divorce. The husband decides whether to abuse his wife in the current period by taking into account its effect on her probability of choosing employment and divorce in the next period. The wife decides whether to remain married by considering her husband's past behavior, and she makes employment decisions by taking into account his future abusive reactions to her working. The model suggests that abused wives seek employment and employed women are more likely to divorce abusive husbands.

In this paper, we argue that some women experience violence in their marriage because they unknowingly married men who can be violent, and they cannot credibly threaten their husbands with divorce when they have limited alternatives outside marriage. Our model underlines the significance of a wife's outside options in determining her welfare in a marriage along the lines of Tauchen, Witte and Long (1991), Farmer and Tiefenthaler (1997) and Aizer (2010). While these models use static games with complete information, we conceptualize marriage as a dynamic game where information is asymmetric. In this respect, our modeling approach is similar to Bloch and Rao (2002), Bobonis, Castro and Gonzales-Brenes (2009) and Farmer and Tiefenthaler (1996). The assumptions about information, husband types and the wife's actions set our model apart.

We focus on married couples; marriage takes place before the game starts.[5] In the first period, nature chooses the husband's type and his disutility or utility of violence. The husband becomes aware of his type, but this information is not available to his wife. The husband moves first and decides to use violence (V) or not (N) in the second period. In the third period, the wife decides to stay (S) or to divorce (D) after observing her husband's behavior. We conceptualize the second and the third periods as the early years of a marriage when there is more volatility and uncertainty. If the wife decides to stay, the marriage enters its relatively long mature phase. Otherwise, divorce takes place and the players remain single during the same span of time. We assume that only one type of husband might be violent during the later period while the other two types choose to be non-violent.[6] The payoffs relate to the longer period following the wife's decision. We omitted the utility that would realize during the earlier part of the marriage, in the second and the third periods, to simplify payoffs, but we included the utility or disutility of violence committed during this time. There is no discounting in the model.

Marriage benefits both sexes: utility in a non-violent marriage, $U_w^m$ for all women and $U_h^m$ for most men, is higher than the utility they can achieve when they are single, $U_w^s$ and $U_h^s$ respectively. The value of a marriage for a woman might come from companionship, a better standard of living afforded by combined income, a higher status of being a wife in traditional societies and the existence of children, among others. Similarly, men might benefit from companionship, children, a status of being a husband and a father as well as better care and more comfort.

We assume in line with domestic violence literature that men are of three types with respect to their attitude towards domestic violence. Some men never resort to violence in their marriage; the cost of violence is too high for them, no matter what benefit violence can bring.[7] They constitute the majority, usually 60-80% of husbands, as reported by most of the large surveys on domestic violence.[8] The second type can use violence instrumentally, to

resolve marital conflicts in their favor or to suppress their wife's demands. Violence increases their marriage utility from $U_h^m$ to $\alpha_1 U_h^m$ (where $\alpha_1 > 1$) by forcing the women to accept marriage outcomes preferred by them. These men, constituting 15-30% of all husbands, do not like to be violent and incur a utility cost, $c$, for using violence, which also decreases their single utility if divorce takes place. Nevertheless, such a husband obtains higher utility when he uses violence and his wife stays, $\alpha_1 U_h^m - c$, compared to his utility in a non-violent marriage, $U_h^m$. This type of violence is usually observed in the early years of marriage, disappearing over the life of an intact marriage (Kishor and Johnson, 2004). Most couples get better at handling conflicts over time. They get used to each other and iron out the sharp edges, they can work out compromises by negotiation, custom or habit, or a spouse might come to accept the other's choices and priorities. In these cases, violence would lose its function as an instrument. On the other hand, a husband might become more attached to his wife or the older children might take side with their mother, which would increase his cost of using violence.

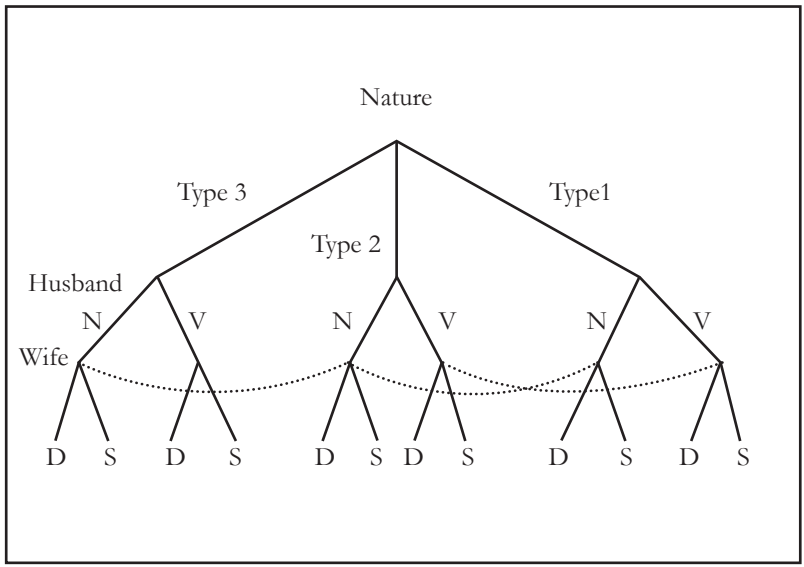
The last type uses violence expressively as well as instrumentally. Different from the other two types, violence is not costly for these men but increases their marriage utility by $V_h$ or $\overline{V}_h$, if the wife stays, and their single utility by $v_h$ in case of divorce. Although these men constitute a small minority (10-15% of husbands), many studies focus on their intimate relationships because they can cause great suffering. They terrorize their wives to maintain control over them throughout the marriage, with abuse usually getting worse over time. Some of them might be desperately attached emotionally and fear abandonment, while others might have antisocial tendencies and use violence to get their way (Johnson, 1995; Johnson, 2009). This type of husband can avoid using violence in the early part of marriage if he fears his wife would respond with divorce, but he will be violent eventually as the marriage unfolds. His marriage utility in this case, $\overline{\alpha}_2 U_h^m + \overline{V}_h$, will be smaller than his utility in case he starts using violence early on and the marriage remains intact, $\alpha_2 U_h^m + V_h$, but will be larger than his utility in case of divorce, $U_h^s + v_h$..[9]

We name instrumentally violent men type 1, instrumentally and expressively violent men type 2, and non-violent men type 3 for convenience in equilibria analysis. Let the proportion of type 1 be $p\pi$, type 2 $p(1-\pi)$, and type 3 $(1-p)$.

The game tree relating to our discussion so far can be seen in Figure 1. Although there are three types of husbands, the interesting part of the game involves only types 1 and 2. Type 3 husbands never choose violence; women married to them never observe violence, consequently they never divorce. On the other hand, if a wife observes no violence, then her husband can be one of three types and her expected utility of marriage will be $((1-p)U_w^m + p\pi U_w^m + p(1-\pi)(\beta U_w^m - \overline{V}_w))$. We assume that this

utility is greater than her single utility, $U_w^S$; therefore, a woman whose marriage continues to be peaceful will not divorce.[10] Then we may not explicitly show the moves of type 3 husbands in the game tree since there is no real decision either on their part or their wives' part.

**Figure 1:**The Game Tree Showing Type 3 Husband's Moves Explicitly



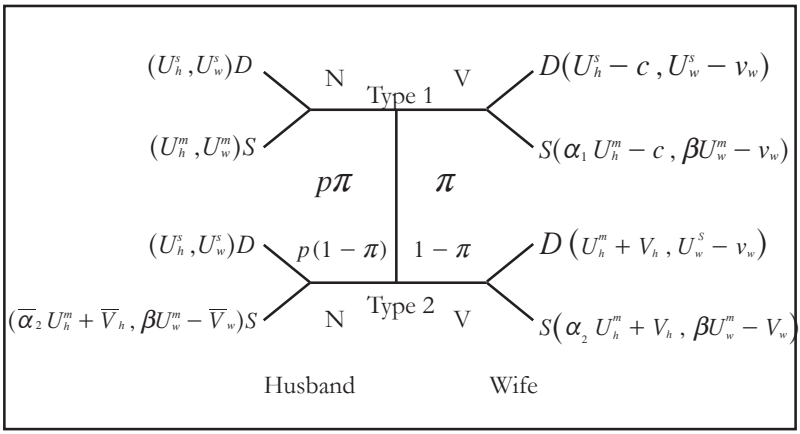

This allows us to concentrate on the game displayed in Figure 2. A wife who observes violence knows that her husband must be either type 1 with probability $\pi$ or type 2 with probability $(1-\pi)$. The probabilities on the right side of the game tree reflect this. On the other hand, if she does not observe violence, her husband can be one of the three types with the relevant probabilities as shown on the left side of the game tree. Type 1 and type 2 men have to weigh gains from violence against the probability of divorce to make their decision. If they decide not to use violence, their wives choose to stay and the marriage survives into the later phase with certainty.[11] If they use violence, then their wives have to decide whether to stay married or to divorce and remain single afterwards.

We make two crucial assumptions about the information available to women: First, they do not know the type of their prospective husband. Neither dating nor information obtained prior to an arranged marriage reveals his type. People put their best foot forward and they are likely to downplay negative signals during courtship. Bowlus and Seitz (2006) found out that

most women in their sample did not know whether their husbands had come from violent families, although violence in the family of origin is a significant risk factor for future violent behavior. Women only know the probability of being married to each type.

Secondly, a woman experiencing violence in the early stage of her marriage cannot deduce her husband's type from the abusive act; therefore, she has to decide to stay or to divorce based on the probabilities. Both types of husbands behave similarly and use similar types of violence at the start of the marriage, while only husbands who have expressive motives continue to be abusive in later phases of the marriage. This assumption receives support from the wide variation in the severity of violence committed by both types of perpetrators (Johnson and Ferraro, 2000), and the observation that abusive men might look nice and caring early on and frequently promise to change (Herbert, Silver and Ellard, 1991).

**Figure 2:** The Game Tree Including Type 3 Husband's Moves Implicitly




Domestic violence has direct and indirect effects on women. Violence hurts a woman physically and emotionally. This is the direct effect which is the same for each woman, regardless of the level of her marriage utility or her single utility. Short-term violence in the early marriage has a lesser cost than violence in the mature phase of the marriage, and continuous violence throughout the marriage is the most damaging ($v_w < \overline{V}_W < V_W$). The emotional impact of violence stays with women in the case of divorce (WHO, 2002); therefore, we assume that her single utility after the breakup of a violent marriage decreases by $v_w$.[12]

The indirect effect works through marriage utility as violence destroys some of the marriage gains for the woman. She derives less pleasure from

the marriage outcomes as her marriage utility drops from $U_w^m$ to $\beta U_w^m$ after violence ($O < \beta < 1$). $\beta$ is a measure of cultural acceptability of domestic violence. In societies which condone the husbands' right to punish their wives, women tend to accept violence as unavoidable and therefore their valuation of marriage is less affected in case of abuse. Higher values for $\beta$ indicate that the society has become more tolerant of domestic violence. One might expect that the cost of violence, $c$, will be low and the proportion of men using violence instrumentally, $p\pi$, will be high in a culture with high tolerance for violence. We refrain from linking $\beta$ to $c$ or $p\pi$ not to complicate the analysis without any benefit of additional insight.

A woman's single utility, $U_w^S$, increases with her employment (her labor income) and education (her potential wage and self-confidence), her wealth and non-labor income, favorable labor market conditions, financial and emotional support from her family and relatives, legal services provided for victims of domestic violence and divorce laws protecting women. On the other hand, cultural norms hostile to divorce and the need to care for young children decrease her out-of-marriage utility.

## Equilibrium – Decision to Divorce and to Stay

If we analyze the marital conditions of a society at a point in time, we see that some couples divorce as result of domestic violence. We can also see that some marriages remain intact although there is domestic violence. In this section, we analyze four equilibria candidates for the game in Figure 2, two of which will mimic this observation. At the end of the section, we evaluate the results of the complete model.

**a)** *Check whether there is a pooling equilibrium where both type 1 and type 2 men inflict violence.*

In this equilibrium candidate, both types use violence, one instrumentally and the other both instrumentally and expressively. By using a backwards induction method, we calculate the woman's expected utilities by divorcing and staying respectively,

$$E_W(D) = U_w^s - v_w \quad (1)$$

$$E_W(S) = \pi(\beta U_w^m - v_w) + (1-\pi)(\beta U_w^m - V_w) = \beta U_w^m - V_w + \pi(V_W - v_w) \quad (2)$$

As long as $E_W(S) \geq E_w(D)$, this strategy is a pooling equilibrium as neither type men has an incentive to deviate from the equilibrium. Incentive compatibility constraints are satisfied, $E_H(V) \geq E_H(N)$,

$$\begin{aligned} \alpha_1 U_h^m - c &> U_h^m \\ \alpha_2 U_h^m + V_h &> \overline{\alpha_2} U_h^m + \overline{V}_h \end{aligned} \tag{3}$$

for type 1 and type 2 men respectively. The condition $E_W(S) \geq E_w(D)$ leads to the following equation showing the wife's decision criterion. Given her single utility, marriage utility, short-term and long-term costs of violence, and the society's tolerance for domestic violence, a wife, having observed violence, will stay married only if $\pi \geq \pi^*$. From equations (1) and (2) we get,

$$\pi^* = 1 - \frac{\beta}{V_w - v_w} U_w^m + \frac{1}{V_w - v_w} U_w^s \tag{4}$$

A marriage violent from early on might still be more attractive for a woman than a divorce, if her husband is type 1 and hence violence stops in the following years. $\pi^*$ is the minimum probability of being married to a type 1 husband that would make staying worthwhile for her. While $\pi$ has a constant value, $\pi^*$ is a function of her dependency on marriage $(U_w^m, U_w^s)$, violence $(V_w, v_w)$, and cultural factors $(\beta)$. $\pi^*$ takes lower values and she becomes more tolerant of violence when her alternatives to marriage are limited (a low single utility) or she is strongly attached to her marriage (a high marriage utility), maybe because of children. $\pi^*$ increases when abuse by type 2 men gets more severe or when domestic violence is not culturally acceptable (a low $\beta$).

Figure 3 shows the impact of $U_w^s$ on a wife's decision. $\pi^*$ rises uniformly as the wife's options outside marriage increase. A wife whose single utility is equal to or less than $\widetilde{U}_w^s$ faces domestic violence and stays married because $\pi \geq \pi^*$. Actually, for women with very few resources $(0 \leq U_w^s \leq \widehat{U}_w^s)$, unemployed poor women with little education, there is no alternative and they have to tolerate violence, even if they knew they were married to type 2 men. For these women, $\pi^*$ is effectively zero. Women with labor income enough to provide for themselves and their children, or who get strong support from their family are more likely to leave abusive marriages. Women with high single utility $(U_w^s > \widetilde{U}_w^s)$ decide to divorce when they experience violence, as will be shown below.

Figure 4 shows the effect of changing social norms about domestic violence on its prevalence. As the society becomes less permissive of wife abuse (as $\beta$ decreases from $\beta_1$ to $\beta_2$), fewer women experience violence (the graph of $\pi^*$ shifts to the left). After the change, women with a single utility greater than $\overline{U}_w^s$ do not experience abuse. Therefore, favorable change in social norms frees women who have $(U_w^S \in [\overline{U}_w^s, \widetilde{U}_w^s]$ of violence.

**Figure 3:**Wife's Decision Criterion as a Function of Her Single Utility

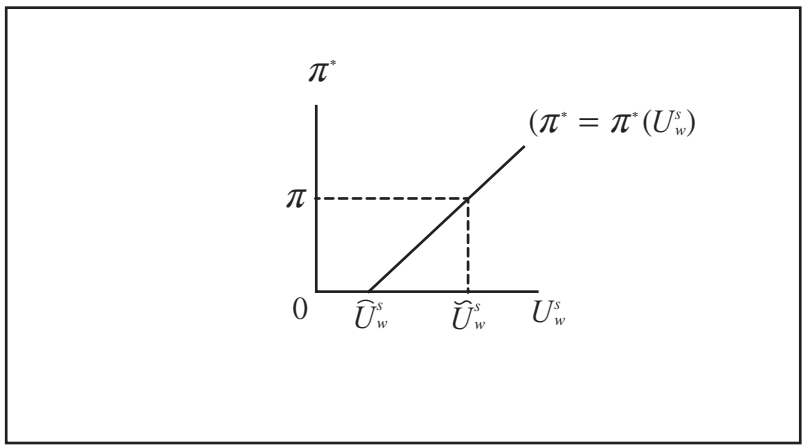
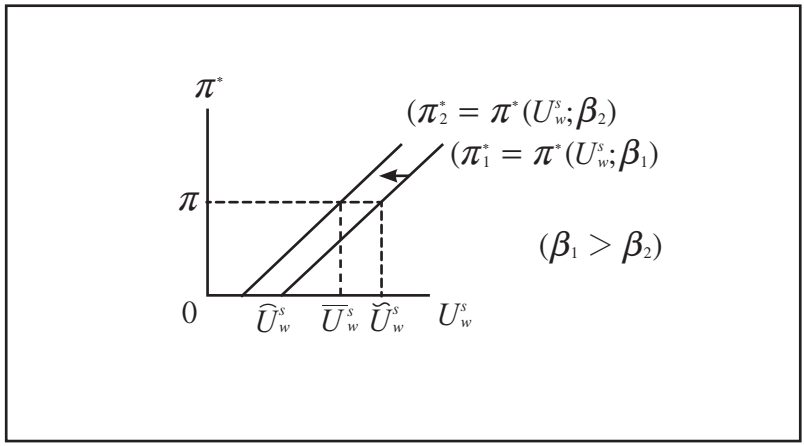



**Figure 4:**The Effect of Changing Social Norms on Domestic Violence




**b)** *Check whether there is a pooling equilibrium where both types of men refrain from using violence.*

In this case a woman's expected utilities by divorcing and staying are as follows:

$$E_W(D) = U_w^S$$
$$E_W(S) = (1-p)U_w^m + p(1-\pi)(\beta U_w^m - \overline{V}_w) \quad (5)$$

When the husband does not use violence, the woman stays as

$E_w(S) > E_w(D)$.We should check whether the husband has an incentive to deviate from the equilibrium. Both types choose to be violent if $E_w(S) \geq E_w(D)$, even after violence occurs, because the husband's utility is greater when he uses violence than when he does not as shown in (3). Therefore, in order for the incentive compatibility constraints to be satisfied, $E_w(S)$ should be smaller than $E_w(D)$ when the husband uses violence. Or equivalently,

$$\pi < \left(1 - \frac{\beta}{V_w - v_w} U_w^m + \frac{1}{V_w - v_w} U_w^s\right) or\ \pi < \pi^* \quad (6)$$

As long as the wife's single utility is larger than $\widehat{U}_w^s$, this strategy is an equilibrium (Figure 3). A wife's strong resources make divorce a real threat for both types of husbands. Neither type uses violence and thus, the wife stays.

**c)** *Check whether there is a separating equilibrium where type 1 husband refrains from using violence while type 2 husband uses violence.*

In this equilibrium candidate, if there is violence, the wife knows that her husband is type 2. Thus, her strategy is to divorce since $E_w(D) \geq E_w(S)$ or equivalently,

$$U_w^s - v_w > \beta U_w^m - V_w \quad (7)$$

Incentive compatibility constraint is satisfied for type 1 but not for type 2 men. Type 1 does not have an incentive to inflict violence because he would not like to signal as if he were type 2. His payoff when he does not use violence is larger than his payoff when he uses violence:

$$U_h^m < U_h^S - c \quad (8)$$

On the contrary, type 2 husband knows that if he inflicts violence, his wife will divorce. Hence, he will not use violence as his payoff for not using violence is larger:

$$\overline{\alpha}_2 U_h^m + \overline{V} > U_h^S + v_h \quad (9)$$

Therefore, this candidate is not an equilibrium.

**d)** *Check whether there is a separating equilibrium where type 1 husband inflicts violence and type 2 husband does not.*

In this equilibrium candidate, the wife knows that if there is violence

this is because her husband is type 1. Thus, her strategy is to stay since $E_w(S) \geq E_w(D)$ or equivalently,

$$\beta U_w^m - v_w > U_w^s - v_w \tag{10}$$

Incentive compatibility constraint is satisfied for type 1, but not for the type 2 husband again. Type 1 husband prefers to use violence when his wife stays:

$$\alpha_1 U_h^m - c > U_h^m \tag{11}$$

A type 2 husband knows that if he inflicts violence, his wife stays since she thinks that he is type 1. He benefits from using violence and there is no risk of divorce. He will use violence since refraining from using violence has a lower payoff in this case:

$$\alpha_2 U_h^m + V_h > \overline{\alpha}_2 U_h^m + \overline{V}_h \tag{12}$$

Therefore, this candidate is not an equilibrium.

We can summarize the results of the complete model as follows: women married to type 3 husbands never experience violence in their marriage. Women married to type 1 husbands also never experience violence if their single utility is high enough ($U_w^s > \widehat{U}_w^s$), otherwise they face violence in the early years of their marriage but not afterwards. Women married to type 2 husbands escape violence in the first part of their marriage if their single utility is high, but those husbands reveal their type and become abusive in the second part. Women with low single utility always face violence at the hands of type 2 husbands. Therefore, the model predicts that we would see both violent and non-violent marriages, the latter forming the majority, if we could take a snapshot of a society at a particular time. Domestic violence would lead to divorce by women who are married to more violent husbands, but only after these women had been with these men long enough.

Better outside options for women decrease the risk of domestic violence in the model by lowering their tolerance for violence and hence increasing the likelihood of divorce. A type 1 husband refrains from abusing his wife who has the necessary resources and the self-esteem to live alone. Even a type 2 husband restrains himself from using violence, although only temporarily, when he is matched with an economically independent woman. Such women eventually divorce type 2 men, even though it might take a long time.

Development policies designed to empower women increase their single utility over time. Better education, more job opportunities and increasing relative wages for women enlarge their opportunities outside marriage. Favora-

ble laws relating to domestic violence, divorce, child custody and alimony strengthen women's position. As a society becomes less traditional, domestic violence is seen less as a husband's right to punish and more as a crime. Divorced women living alone or with their children face less stigma.

The WHO (2005) argues that economic development strategies must address gender inequality to eliminate domestic violence. The strategies must promote women's access to post-primary, vocational and technical education, remove obstacles to women's full participation in the paid labor market by improving childcare benefits, decreasing job segregation and extending social protection to women working in the informal sector.

## Conclusion

Although conflict is inherent in any close relationship, the parties in such a relationship seldom use violence to settle their disputes. On the other hand, men have been inflicting violence on women under the marriage bond. Many societies still justify a wife's physical punishment by her husband under some circumstances and legal authorities can overlook violence at home.

We have argued that domestic violence is widespread, exactly because men benefit from using violence and most women do not have viable alternatives to escape abusive relationships. Violence can be a socially sanctioned tool at the hands of a husband, used to impose his will on the marriage. In our model, men differ according to their attitude towards violence and the benefit they get from using violence. Women, however, differ solely with respect to the extent of opportunities they can utilize in case of divorce. We assume benefit of marriage and cost of violence to be constant across women in order to focus on the impact of a wife's resources on domestic violence.

We find that a husband prone to violence abuses his wife if she has few resources of her own, and that abuse increases with the benefit the husband gets from using violence. On the other hand, a woman who could maintain herself and her children (even when she is divorced) leads a non-violent marriage life with a high probability.

Our results fit well with those of other studies emphasizing the significance of women's empowerment. A woman's own resources, especially education, employment and income, are a major part of her power in marriage. Social norms relating to power distribution between spouses and culturally acceptable means of conflict resolution also have a direct influence on women's welfare. The legal framework on domestic violence and divorce, the way related laws are applied and the assistance given to abused women are other important factors that determine the prevalence of wife abuse. Gender sensitive development strategies must take all these factors into account.

## Notes

1. Levinson (1989) found that domestic violence against women exists in 86 of the 90 societies under investigation. Nearly 50 studies around the world give estimates ranging from 10% to more than 60% for women's lifetime victimization (Watts and Zimmerman, 2002; Kishor and Johnson, 2004). Estimates differ widely from country to country, probably due to cultural differences, small sample sizes, sampling methods and wording of questions (Ellsberg et al., 2001). Studies using large samples in developed countries report lifetime victimization estimates between 20% and 30%. Studies also find that the majority of victims experience violence multiple times. The National Violence Against Women (NVAW) Survey conducted in the US revealed that 22% of the respondents were victims of physical domestic violence, 66% of whom were victimized more than once, and 20% more than 10 times (Tjaden and Thoennes, 2000).
2. The Universal Declaration of Human Rights, accessed on January 20th at http://www.un.org/en/documents/udhr/index.shtml
3. The third Millennium Development Goal is to "promote gender equality and empower women".
4. She does not know whether her husband can ever use violence against her and, if he does, whether the violence will continue in the future. A violent husband might use violence as a tool to resolve occasional conflicts in line with his preferences, or he might need to inflict violence systematically throughout the marriage to raise his self-esteem and to control his wife.
5. We exclude the case where the utility of remaining single is larger than the expected utility of an intact marriage, i.e. we assume that $U_w^s < [(1-p)U_w^m + p\pi(\beta U_w^m - v_w) + p(1-\pi)(\beta U_w^m - V_w)]$. An overwhelming majority of women in developed countries and almost all women in most developing countries marry at least once (UN World Marriage Data 2008, accessed on January 25th at http://data.un.org/DocumentData.aspx?id=213).
6. We could add one more run to the game: if the marriage remains intact, the husband decides to be violent or not in the later period, and then the wife's decision follows. The resulting equilibria of this extended game are similar, although the analysis is more cumbersome. Therefore, we simply assume that if a woman decides to stay in the third period, it will take a relatively long time for her to take a new action. During this period, her husband will be violent only if he is type 2, as will be explained later on.
7. His marriage utility in case he uses violence is less than his utility of a non-violent marriage.
8. Survey results show that the majority of marriages are non-violent. While

there is infrequent violence in some marriages, there is a small minority of marriages where violence is frequent and long-term.

9. We assume that $(V_h > \overline{V}_h > v_h)$ and $(\alpha_2 > \overline{\alpha_2} > \alpha_1 > 1)$.
10. Given the proportions of different types of husbands reported by surveys, the expected utility of marriage in this case will be close to $U_w^m$, which we have assumed to be larger than $U_w^s$.
11. One can say that there are other reasons for divorce, but they are irrelevant here. It does not change our analysis and findings.
12. The results of the model do not change if post-divorce utilities for men and women are unaffected by violence in the marriage.

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# 8

# Iran Ambitious for Regional Supremacy: The Great Powers, Geopolitics and Energy Resources

*Farhang Morady*

## Abstract

*Iran's geographical location makes the country strategically vital. From the south, the Persian Gulf with its close proximity to the Indian Ocean Region (IOR) and to the north, Central Asia, meaning Iran forms a geographic 'corridor' between Europe, Africa, South Asia and South East Asia. Combined oil and gas reserves of the Persian Gulf and the Caspian Sea total over 60 percent of the global oil and gas reserves and much of this is transported via the Indian Ocean. Global energy consumption is expected to increase by 49 percent from 2007 to 2035 as demand increases from China and India.[1] Iran has the 5th largest oil reserves and the 2nd largest gas reserves in the world. In addition to these resources, Iran has a population of 70 million, 65 percent of which are under 30 years old and comparatively highly educated. These combined elements give the country the potential to be a major player in both the security and development of the region (Morady, 2010: 73). Since 1979 Iran has taken an 'Eastward' orientated political stance, cutting its diplomatic ties with the US. Historically, Iran has had significant linguistic and cultural links with most of the countries in Central Asia and has maintained close relationships, both economically and politically, with other countries in the region. These relationships have taken a new shape since the 1979 Iranian Revolution, creating closer collaborations with the East in order for Iran to establish itself as a regional power. Hence, on a domestic, regional and global level, Iran's approach to the IOR is crucial. Following the end of the Cold War (1947-1992) as the US became the only great power in the world and India and China emerged as major economic forces, the focus on the importance of the region has deepened. Indeed, the current Islamic Republic leaders' intention to turn Iran into a regional player by acquiring nuclear energy is a reflection of their ambitious vision for the country, within the region and beyond.*

## Introduction

Since the 1979 Iranian revolution, the country has been through turbulent times both nationally and globally: the perpetual factional conflicts within the regime, eight years of war with Iraq (1980-1988), continued conflict with the US, espe-

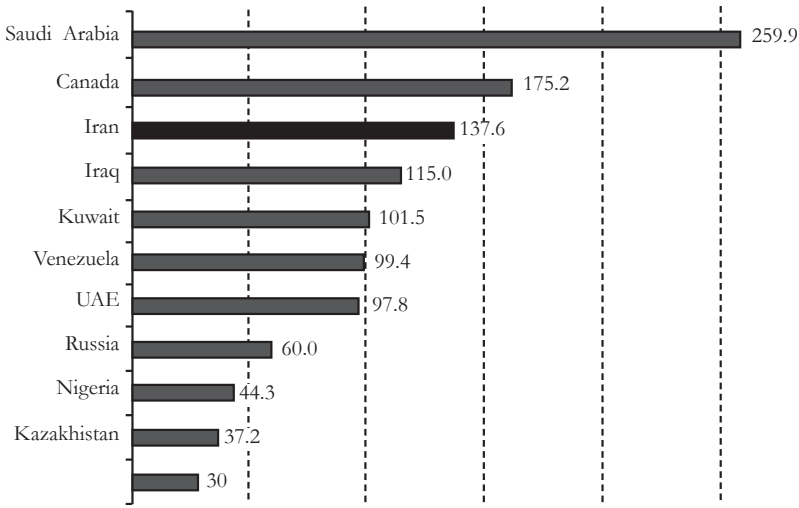
cially the imposition of comprehensive sanctions by the UN, and the end of the Cold War, have all had an impact on the country's foreign policy. In addition to these, the emergence of China and India as the economic powerhouses of the world as well as the invasion of Afghanistan and Iraq by US led coalition forces have added to the political tension in the region. With Afghanistan and Iraq as its neighbours, over two million refugees have settled in Iran, thus generating an unstable political and economic situation with the fallout from political fractions and parties such as the Taliban and Al-Qaida.

**Map 1: Iran and its Neighbors**


The Western coalition's invasion of Iraq and Afghanistan, although not purely about oil,[2] appears to provide an opportunity for the US to dominate the region of the Persian Gulf, Central Asia and the Caucasus region. The Persian Gulf both in terms of Southern Asia and as an extension of the IOR is 251,000 sq km, connecting to the Gulf of Oman in the east by the Strait of Hormuz. Its length is 989 km and Iran covers most of the northern coast and Saudi Arabia extends along most of the southern coast. The countries with a coastline on the Persian Gulf are Iran, Oman, the United Arab Emirates, Saudi Arabia, Qatar, Bahrain, Kuwait and Iraq (Nami, 2010). More than 63 per cent of the world reserves of crude oil and 40 percent of gas resources lie in the Persian Gulf Region. Nine out of the ten large world oilfields are in the area, as well as 28 out of 33 supergiant fields. All the countries around the Persian Gulf are major oil producers, but they are not the main consumers. About 17 million barrels of crude oil (comprising 88 percent of Saudi, 90 percent of Iranian, 98 percent of Iraqi and 99 percent of the UAE and all of Kuwait's oil) are transported through the Persian

Gulf towards the Indian Ocean,[3] as well as 70 percent of the world's traffic of petroleum to the rest of the world.[4] Equally important is the Caspian Sea basin, as the five states around it have approximately 14.6 percent of the world's total proven oil reserves and almost 50 percent of the world's total proven natural gas reserves (Nami, 2010: 90). The oil revenues constitute more than 24 percent of Iran's gross domestic product, about 80 percent of its export earnings and up to 76 percent of government revenues (Dubwitz & Grossman, 2010: 4). With its ideal location, a relatively strong state and military muscle,[5] Iran has the potential to play a leading or even pivotal role in Central Asia, the Persian Gulf and the IOR.

**Top Proven World Oil Reserves, January 1, 2010 (Bllion Barrels)**




**Soruce: Oil & Gas Journal, Jan. 1, 2010**

From the Persian Gulf to the IOR lie the most important petroleum transit routes, a gateway for the landlocked countries of Central Asia (Murat, 1999). For Iran, the importance of the IOR is not just about exporting its crude oil, but as a channel through which it can supply its own gas by pipeline. Following the end of the Cold War, Iran has been very active in developing a transit route between Central Asia and the IOR with the aim of building a bridge between the two regions. Iran intends to connect ChahBahar, a port city on the Persian Gulf, to oil and natural gas-rich Azerbaijan, Kazakhstan and Turkmenistan. As Kaplan points out, if the Indo-Iranian project in Chahbahar and the Chinese development in Gwadar, a port city in Baluchistan, Pakistan, are completed, fierce competition over Central Asia may erupt. According to S. Frederick Starr, 'it is access to the Indian Ocean that will help define future Central Asian politics.'

(Starr cited in Kaplan, 2009: 23). Competition between the Indo-Iranian and China-Pakistan axis will have an impact onAmerica's future foreign policy. US hegemony in the IOR appears to be solid, but neither India nor Iran wish to see a 'unipolar' world (Fair, 2007: 148). Indeed, even the Chinese are not comfortable with this. Evidently Iran became a full member of the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC)[6] in order to increase its influence in the region. By expanding its own presence in the area through good relationships with India and China, Iran poses a threat to its 'arch enemy' the US hegemonic power in the region. This article will analyse Iran's perceived present and future role in the IOR. It will argue that the Iranian revolution has encouraged the Islamic Republic, not always willingly, to take an 'Eastward' oriented political stance. One of the pillars of the revolution was anti-imperialism, especially against the US, as the American administration had supported the Shah in 1953 and up until the 1979 revolution. Since then, the US in general has taken a hostile approach towards Iran, by isolating the country and by collaborating with other states to impose comprehensive sanctions. This has inevitably forced Iran towards India, China and even Russia - for both security reasons and economic development. Despite the end of the Cold War in 1992 as well as the American invasion of Afghanistan in 2001 and of Iraq in 2003, the US still lacks total domination of the region. As this article will argue, other powers such as China, India and Russia, have challenged the US. Post-revolutionary Iran, rhetorically argued for self-reliance and exclusion of extra-regional powers, refusing to accept the emergence of an international system dominated by the US and calling for a multi-polar order. Indeed, the US policy of containing Iran by presenting it as a rogue state, part of a supposed "axis of evil" and by imposing sanctions, has yet to show an impact on Iran's economy, or force countries like India, China or Russia to terminate their relationships with Iran. It is in this context that this article will argue that while the US is a dominant power, it is not the only one. Rivalry between powers, as well as the rise in global demand for energy, have benefited Iran by placing it in a position where it can assert itself as a regional player in the IOR.

## Energy, US Hegemony and Competing Forces

With the end of the Cold War, the invasion of Afghanistan and Iraq amplified the Bush administration's proclamation of a 'long war' against terrorism, in particular Islamic radicalism. The unrivalled global hegemony of the US, the flourishing discourse of globalisation and the 'triumph' of liberalism supported the US administration's perception. Some key policymakers/neoconservatives, such as Richard Perle, John Bolton, Paul Wolfowitz, William Kristol, Dick Cheney and Donald Rumsfeld, pointed out at the time that, 'at present the US faces no global rival', emphasising that this 'will be an essential element in preserving American leadership in a more complex and chaotic world' (Callinicos, 2003:70). US Glo-

bal domination and specifically its influence in the Persian Gulf was to ensure the security of the supply of oil. This, however, was never complete domination by the US, as Immanuel Wallerstein pointed out: 'contemporary imperialism is a product of US weakness, rather than strength.'[7] The US did not have it all its own way, especially as global capitalism was facing an economic crisis, which it had entered in the late 1960s and early 1970s (Brenner, 2002).

One of the key aspects is the difference between competing centres such as Western Europe, North America, East Asia and other states such as Russia, China and India, over economic and political power.[8] From a Realist point of view, asymmetry of power does not prevent geopolitical conflict, but may rather produce it, if unipolarity provokes balancing against the hegemon. But other accounts of hegemonic stability theory have suggested that, so long as the dominant power provides public goods, other states may have an incentive to cooperate (Gilpin, 1981).

There were some concerns over the revival of the US global hegemony. These were illustrated by Henry Kissinger, when he questioned the US global domination after the Gulf War and the collapse of the USSR:

> *The end of the Cold War has created what some observers have called a "unipolar" or "one superpower" world. But the US is actually in no better position to dictate the global agenda unilaterally than it was at the beginning of the Cold War... The United States will face economic competition of a kind it never experienced during the Cold War...domination of a single power of either Europe or Asia...remains a good definition of strategic danger to America... Such a grouping would have the capacity to outstrip America economically... China is on the road to superpower status... China's Gross National Product will approach that of the United States by the end of the second decade of the 21st century* (Kissinger, 1994:809).

He further pointed out that the US needs allies in order to maintain equilibrium in several regions of the world. Even Zbigniew Brzezinski, President Jimmy Carter's national security adviser, was aware of the domination of the US in the world when he stated (I'm not very sure what you meant to say here):

> *[China] is already a major player, not yet strong enough to contest America's global primacy but capable of imposing unacceptable costs in the event of a local conflict in the Far East* (Brzezinski, 2000: 6).

While Kissinger and Brzezinski agree that there is only one great power, they also recognise that there are many less powerful ones capable of causing problems. Cox (1981, 1987) pointed to the emergence of transnational hegemony as the US is no longer in a position to control the international order. Hence, there is no longer a single state in control of international order (Agnew, 2005).

Ensuring the security of oil supply from the region, the US has been cooperating with some of the states such as Saudi Arabia, Bahrain, Qatar, Oman,

Kuwait, the United Arab Emirates, Azerbaijan, Kazakhstan and Turkmenistan. This would not, however, give the US total guarantee that these states will always collaborate. Indeed other powers such as Russia, some European countries, China and India are also involved in building allies. They may have ideological and political differences but they tend to agree on certain national interests, especially keeping oil flowing to global markets. Therefore, it is not just one great power attempting to exploit oil resources for its own economic gain and seeking to impose its hegemony over the world, there are competing powers wishing to have access to resources too.[9] So far, they all agree that the security of the energy supply is vital for both the oil producers and the great powers. Any disruption in oil supplies will have a direct impact on  doesn't sound right, but not sure what to replace it with.

US domination of the region and the isolation of Iran forced the Islamic Republic to counter-balance the threat by looking for allies among other major powers such as India, China and Russia as well as Muslim countries. It also sought to use regional and international organisations that were not totally subjected to western domination. These included the Non-Aligned Movement, the Organisation of Islamic Conference (OIC)[10], the Organisation of Petroleum Exporting Countries (OPEC)[11], the Economic Cooperation Organization (ECO)[12], the D-8 group, the Shanghai Cooperation Organization (SCO)[13], the Conference on Interaction and Confidence Building Measures in Asia (CICA)[14] and the IOR-ARC. Iran's location, size, economic stature and military strength give it the potential to exercise a pivotal role in the Persian Gulf, Central Asia and the IOR. Strategically, the IOR has always been an important region, but the huge oil and gas resources in the Persian Gulf and Central Asia have  now turned the region into a vital core of the world economy. The collapse of the Soviet Union brought Iran to the centre stage as compared to other countries in the region.

China's fuel consumption in 2030 will be equal to that of the US today, and any disruption in oil supplies will have a significant impact on China's economic development. Oil makes up 38 percent of the world's energy with the transportation sector indicating the highest oil consumption rates: approximately 55 per cent of oil use worldwide, with about 68.9 per cent of the oil being used in the United States.[15] Any substitute to petroleum has yet to be identified and oil is expected to continue to play a crucial role for the foreseeable future. With the emergence of new economic powers such as China and India alongside the US, Europe and Japan, the demand for oil has increased sharply to about 86.60 million barrels per day (mbpd).[16] The U.S. is the largest consumer of oil in the world and with the passage of time its domestic oil production will decrease . Presently, the US is producing 8.5 million barrels of oil daily. This is at a time when its daily consumption is nearly 19 million barrels and is predicted to reach nearly 28.3 million barrels per day by 2025.[17]

**Top World Oil Producers, 2008 (Thousand barrels per day)**

| Rank | Country | Production |
|---|---|---|
| 1 | Saudi Arabia | 10,782 |
| 2 | Russia | 9,790 |
| 3 | United States | 8,514 |
| 4 | Iran | 4,174 |
| 5 | China | 3,973 |
| 6 | Canada | 3,350 |
| 7 | Mexico | 3,186 |
| 8 | United Arab Emirates | 3,046 |
| 9 | Kuwait | 2,741 |
| 10 | Venezuela | 2,643 |
| 11 | Norway | 2,466 |
| 12 | Brazil | 2,402 |
| 13 | Iraq | 2,385 |
| 14 | Algeria | 2,180 |
| 15 | Nigeria | 2,169 |

Source: http://www.eia.doe.gov/country/index.cfm

The significance of the countries in the Persian Gulf and the Caspian Sea in exporting oil will increase day by day. Similarly, the energy demand in the global South has increased to about 35 percent of the world's energy supply and 35 percent of the global petroleum use. It is predicted that by 2025 the South will overtake the North as the leading consumer of energy, and by 2030, China alone will consume more energy than all of Europe and Japan combined. While China is not entirely without its own sources of oil it will continue to be dependent on imported oil, especially from the Middle East. China imports 58 percent of its oil from the Persian Gulf region and this is expected to increase to 70 percent by 2015.[18] Similarly India is an emerging power whose consumption of oil, according to the Energy Information Administration (EIA), reached approximately 3 million bbl/d in 2009. In the same year, India was the fourth largest consumer and the sixth largest net importer of oil in the world, importing nearly 2.1 million bbl/d, or about 70 percent of its oil needs. The EIA predicts India will become the fourth largest net importer of oil in the world by 2025, behind the US, China, and Japan. India imports 70 percent of its crude oil from the Middle East, primarily from Saudi Arabia (18 percent) and Iran (16 percent).

**Top World Oil Net Importers, 2008 (Thousand barrels per day)**

| Rank | Country | Imports |
|---|---|---|
| 1 | United States | 10,984 |
| 2 | Japan | 4,652 |
| 3 | China | 3,858 |
| 4 | Germany | 2,418 |
| 5 | Korea, South | 2,144 |
| 6 | India | 2,078 |
| 7 | France | 1,915 |
| 8 | Spain | 1,534 |
| 9 | Italy | 1,477 |
| 10 | Taiwan | 939 |
| 11 | Singapore | 925 |
| 12 | Netherlands | 891 |
| 13 | Belgium | 706 |
| 14 | Turkey | 629 |

Source: http://www.eia.doe.gov/country/index.cfm

The US military presence in the Persian Gulf, the Caspian Sea and the IOR is totally dependent on vast supplies of petroleum. The strategic location of the Persian Gulf provides a route for commerce, whilst the supply of energy is considered as a vital operational military strategy, from the North Pacific, through the Indian Ocean on the one hand, and the central part of South West Asia on the other. For the sake of regional stability, the US needs good relations with moderate Arab countries to ensure the security of Israel as well as access to oil supplies.

For these to be achieved, the US military needs to be present in the key parts of the region.[19] Indeed, the continued deployment of troops to Afghanistan and Iraq, and the maintenance of military bases in South Korea and Bosnia puts added pressure on the demand side for petroleum.

Rising energy demands, especially from China and India, have caused great anxiety amongst the developed and developing countries. There is little confidence that the world's energy industry will be able to respond to the demand of consumer nations in the future. In fact, it is possible to anticipate that there may be huge political conflicts over remaining future supplies. According to one estimate, the US has spent US $1 trillion over the past two decades to defend the energy supply.[20] Therefore, for the US, the security of the energy supply will be crucial for both domestic consumption and its global domination. China and India are aware of this, and as a result, have increased their active geopolitical

role in the region, as they do not wish to become hostage to US oil diplomacy.[21] They have increased their operations in the Middle East, Africa and Central Asia by investing in different oil fields. India and China have been busy providing military assistance, intelligence sharing and military training in order to gain geopolitical advantage in areas of interest in Iran, Africa and Central Asia.[22]

**Iranian Petroleum**
**Export Destination (2008)**

| Country | Mbbl/d |
|---|---|
| Japan | 520 |
| China | 430 |
| India | 410 |
| South Korea | 210 |
| Italy | 160 |
| Spain | 140 |
| Greece | 110 |
| France | 90 |
| South Africa | 90 |
| Others | 440 |
| Total Exports | 2,600 |

Source: Global Trade Atlas: Facts: EIA

Central Asia and the Caspian Sea areas are also seen by India and China as major sources of new oil reserves. The main importers of Iranian oil are Japan, India, China, South Korea, and Italy.[23] Russia, because of its own huge energy resources, has different needs and seeks to control the flow of energy for its own strategic advantage. Russia aims to dominate the transportation of energy in Eurasia, which gives it a competitive edge, thus enabling it to use this as a tool for exerting political influence in the region. However, in the Caspian Sea area there are important players like China, Russia and in particular Iran, which has the shortest route to the Persian Gulf, via the Indian Ocean. With the fall of the Taliban in Afghanistan, Iran has increased its involvement in the IOR by engaging in the state building process of the country.

India's and China's need for energy puts them under considerable pressure in their diplomacy with the US as they don't always agree on regional issues. A good example of this has been the imposition of sanctions against Iran.[24] The US is forced to accommodate to Chinese and Indian demands, as in 2005 the American Congress changed US law to allow a civilian nuclear deal with New Delhi. This was an attempt to bring New Delhi closer to the US, thus reducing India's need for Iranian energy (Fair, 2007: 145). Iran's capacity to become a regional

power and a challenge to the US and its supporters depends, partly, on having access to nuclear technology. India and China are well aware of this just in the same way they know that Iran's position in the region is important. Furthermore, as Fair clearly asserts, Iran's relation with India is not just about energy, it has much more to do with New Delhi's aspiration to become a great power in the region, with an expansive approach towards Central Asia and beyond (Fair, 2007: 146). This is designed to keep away the Chinese, the Russians and the Turks as well as to challenge the US total hegemony. Therefore, India has to sustain a balancing act: how to maintain its relations with the US and its allies, Israel and Saudi Arabia, UAE, and Qata,r as well as with Iran.

**U.S. Military Spending vs. The World, 2008**
**(in Billions of US Dollars)**

| Country | Military Spending (Billions of $) | World Ranking |
|---|---|---|
| United States | 711 | 1 |
| China | 121.9 | 2 |
| Russia | 70 | 3 |
| United Kingdom | 55.4 | 4 |
| France | 54 | 5 |
| Japan | 41.1 | 6 |
| Germany | 37.8 | 7 |
| Italy | 30.6 | 8 |
| Saudi Arabia | 29.5 | 9 |
| South Korea | 24.6 | 10 |
| India | 22.4 | 11 |
| Australia | 17.2 | 12 |
| Brazil | 16.2 | 13 |
| Canada | 15 | 14 |
| Spain | 14.4 | 15 |
| Turkey | 11.6 | 16 |
| Israel | 11 | 17 |
| Netherlands | 9.9 | 18 |
| United Arab Emirates | 9.5 | 19 |
| Iran | 7.2 | 22 |
| Egypt | 4.3 | 31 |
| Pakistan | 4.2 | 32 |
| **Global Total** | **1,472.70** | **n/a** |

Source: http://armscontrolcenter.org/policy/securityspending

Despite all the difficulties, Iran and India have continued their broad and deepening relations, since they have common interests. Beyond this, Iran and India's military exchanges, including naval exercises in the IOR, demonstrate their shared interest against US domination in the region.[25] Because of its strategic position, Iran has been able to play India, China and Russia off against the US, by leveraging both rising powers and Russia. With the economic crisis that the US faces at the moment, it will have difficulties in sustaining its arms spending in the future as against that of China and India which are growing very rapidly.

While there may not be a multipolar world at present, it is certainly not a total domination by the US, as the Chinese, Indians and to a certain degree, Russians, are revealing their presence in the region. In their midst, Iran is gradually imposing itself, flexing its muscle and showing its aspiration to become a regional power, no longer taking a survivalist attitude toward the US. Instead, with its position between Central Asia, the Persian Gulf and the IOR, the Islamic Republic sees itself in an ideal position to play a more significant role globally.

## Post Revolutionary Iran and the IOR

The post revolutionary leadership in Iran called for the spread of revolution beyond its borders, promoting relations with other Islamic countries and calling for the global *Ummah*.[26] With the fall of the Shah, the US lost one of its greatest allies after Israel in the region. This new regime was not a retreat from modernity and return to 'fundamentalism' or 'traditionalism'. The establishment of the Islamic Republic caused much confusion, given that many believed that the 'modernisation' experienced by Iran in post-World War II, would inevitably lead to secularization.[27] The post-1979 populist and anti-imperialist government called for security involving only states of the Persian Golf region and not foreign powers.[28] The new leadership's main slogans were `neither east nor west'[29] with an emphasis on spirituality, religious belief and the role of the masses. Such views were not specific to Iran, as some fall into the category of Third World radicalism. The new regime was well aware of the importance of oil to the state, both for Iran and for the region in general. The fact was that oil had to be produced and exported from an area, which became the centre of political instability. The Iranian revolution and its outcome created great instability in a part of a region which had remained relatively stable under the Shah's regime. In the early part of the revolution Iran became a problem for both the former Soviet Union and the US who were well aware of Iran's key geo-political position, fearing the knock-on effects of the establishment of the Islamic regime, in an area stretching from the Indian Ocean to the Soviet Southern Republics. For the Soviet Union, it opened up new strategic uncertainties, in particular the unstable situation in post-revolutionary Iran and its potential impact on Afghanistan, then under direct occupation.

For many Iranians, the US was seen as the imperialist country, having sup-

ported the Shah's dictatorship since the 1950s. Furthermore, the widespread mass movements, which succeeded in overthrowing the Shah in 1979, suggested little possibility of resuming a normal relationship with the US. The Islamic Republic had to take this into consideration even if it desired a resumption of relations with the US. The revolution resulted in immediate changes in Iran's regional policy. Tehran broke relations with Israel, and left the Central Treaty Organisation (CENTO), which included Iran, Iraq, Turkey, Pakistan and the UK. This anti-western attitude continued in November 1979, when militant students - supported by the clergy including Khomeini - stormed and occupied the US embassy in Tehran, signifying a halt to its relations with the US. The US response was immediate. Washington stopped the shipment of $300m worth of spare parts bought by Iran and, on the 14th of November 1979, the US froze $10,000m in Iranian assets abroad (Mostyn, 1991: 170). The US also stopped its imports of Iranian oil, which then stood at 900,000 barrels a day. By May 1980, the US had succeeded in convincing Japan, the UK and Royal Dutch Shell to boycott their imports of Iranian oil, which amounted to around 800,000 barrels a day (Fisher, 1990: 454). This action encouraged the former Soviet Union to develop closer relations with Iran, but the Iranian ruling elite continued to play one power off against the other. It did this in order to maintain its own economic and political interests by avoiding any military conflict with either power.

Since the end of the war with Iraq (1988) and the death of Ayatollah Khomeini (1989), Iran has been proactive in developing coalitions. This was hardly surprising with the US having considerable influence in Saudi Arabia, Turkey and Pakistan. The end of the Cold War and emergence of the new independent states in and around the Caspian Sea facilitated this process. During Hashemi Rafsanjani 's presidency (1989-97) there was a period of significant change in foreign policy strategies. The post-war reconstruction of Iran's economy and the necessity of social and economic development were key for the policy makers at the time. The necessity of changes in foreign relations, emphasis on foreign investment and expanding trade meant development of mutually beneficial state-to-state relations as well as integration into the world economy.

Thus Iran's geopolitical situation also meant the possibility of being a balancing factor between the superpowers. Countering Washington's efforts to isolate Iran, the Islamic Republic looked for cooperation with neighbours and alternative major powers such as Europe, Russia, China, and India. Tehran sought to collaborate closely with regional and international organizations such as the Non-Aligned Movement and OPEC for the same purpose.

The end of the Cold War, emergence of the energy producing countries in the Caspian basin assisted Iran, compared to the other states and its geographical location, to become a regional actor. Iran's move toward regionalism has achieved support and recognition from some states such as Turkey, Iraq and, at times, Afghanistan, partly because of it populist and '*Third Worldist'* approach.

Moreover, Iran relied on the importance of culture as a defining feature and a base for cooperation.

In expanding its influence and getting support to neutralize the pressure from Washington, the Islamic Republic saw India as one of the key countries in the IOR. This is because of its strategic place and its environment: stretching to the Strait of Hormuz and the Persian Gulf in the west, the country is in a vital position in the world. From the East, India's strategic neighbour includes the Strait of Malacca[30] and extends up to the South China Sea whilst from the north it is linked to Central Asia. India has also pursued a policy of developing and maintaining relationships in the Middle East with all Arabs, Iranians and Israelis. Iran was also an important proposition for India because of its strategic location, close to Central Asia and Afghanistan, challenging Pakistan, Russia and Turkey. Hence, Iran's relationship with India was very important and reciprocal; India could rely on it for its oil supply and Iran would be able to have secure energy routes.

The relationship between Iran and India went beyond this, when both countries attempted to establish a trade bloc consisting of India, Iran, Afghanistan, Bangladesh, Nepal, Sri Lanka and Pakistan to promote trade and commerce in Central Asia. The bilateral trade between the two countries in 2007-2008 reached US$12.896 billion, with non-petroleum products constituting US$2.3 million.[31] Iran also hopes to further develop similar relations with other countries in the IOR. In addition, Iran is an ideal route for natural gas transit to India and the IOR. In the long term, the Indo-Iranian relation could develop even further and lead to significant influence over the IOR and the Persian Gulf. Iran's influence and role have already been noticeable in the stabilisation of Afghanistan after the collapse of the Taliban regime in Afghanistan. Equally, Iran's geographical location, and its proximity to Central Asia are vital for the IOR, as it helps it to market goods and energy resources within the region. Both Iran and India aim to have political influence in the world. In the early part of the revolution in 1979 the Iranian government called for Muslims to rise up against their rulers. This did not please New Delhi as India had to deal with Kashmiri Muslims. The Islamic Republic's slogans did not last long and soon they accommodated to the reality of the political situation.[32]

The end of the Cold War caused anxiety in Tehran and New Delhi as both governments feared the political instability of the new states that emerged in Central Asia. Iran was concerned that it could become entangled in internal conflict, especially given the various ethnic minorities within its own borders, including Azeri and Turkmen. Meanwhile, India had political concerns but also regarded this as a new opportunity, primarily as a captive market for its own goods.

Iran forms a practical corridor through which the IOR could access the natural resources and economic opportunities of Central Asia. Iran and the IOR,

India in particular, were concerned with the rise of Sunni Islamism in Central Asia and the Taliban, backed by Pakistan. The closer relationship between the two countries, and later Russia, encouraged them to get involved in joint ventures, building infrastructure to facilitate the transportation of goods between India and Russia via Iran. India's relationships with Iran and Central Asia were strategically vital in order to outmaneuver Pakistan. Iran, as a revolutionary Muslim country, was an attractive option for deflecting Pakistan's rhetoric and propaganda in India, especially over Kashmir. For Iran, India was a potential means to find a way around the IOR plus an important source of high-technology inputs, thereby helping Iran in the development of information technology.

The relationship between Iran and India soured when the US invaded Afghanistan in September 11, 2001. New Delhi got close to the US, worrying about the international focus on Muslim states and Islamism, at a time when Afghanistan and Pakistan were identified as terrorist training centres. This encouraged India and Israel to deepen their mutual relationship. However, the US military action in Afghanistan in 2001, and later, in Iraq in 2003, was a blessing for Iran and India, as the strategy ended the Taliban rule in Afghanistan and brought the downfall of Iran's biggest enemy in the region, Saddam Hussain of Iraq. Furthermore, the weakness of Iraq meant a strong Iran. In search of different ways to bypass US sanctions and, to a degree, frustrate Washington's policy of isolation and containment, Tehran looked towards more cooperation with its neighbours and organisations such as the ECO and the IOR-ARC.

## North and South Transit Route: from Central Asia to the Indian Ocean

Iran aims to expand its non-oil exports to the IOR in general, and to Afghanistan and India in particular, by actively developing the transport infrastructure in Central Asia, taking advantage of its strategic location in the region as a gateway to the IOR. Along with Afghanistan, Iran has been very active in establishing several free trade zones. The Islamic Republic has encouraged the provincial authorities to develop relations with their regional counterparts in other countries. This has resulted in Khorasan, a city in the east of Iran, working closely with Afghanistan.

Iran's gradual shift in its economic strategies toward Asia is a reflection of its policy change towards the 'East'. For instance, China is now the main trading partner of Iran with $36.5bn in 2011,[33] having overtaken the European Union. India is its third-largest trading partner and Japan its fourth. Iran's exports shifted towards more Asian and Middle Eastern countries, whilst the UAE, China, India, Iraq, Japan, Italy, are major importers of goods from Iran in the same period.[34]

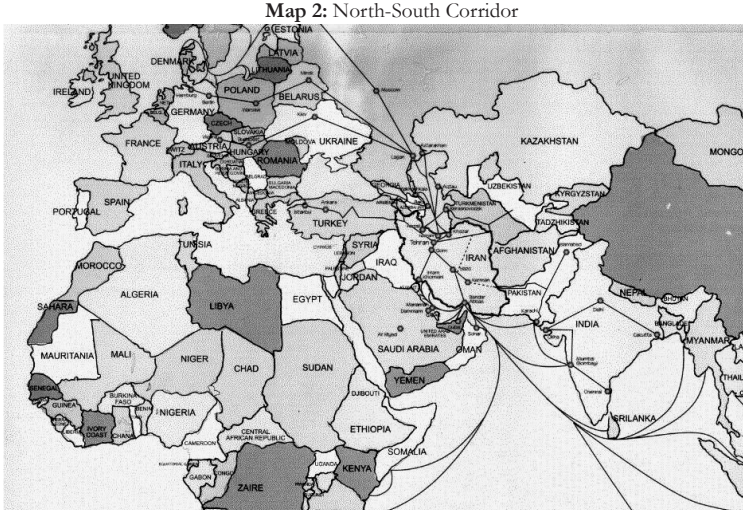
One obvious area that would help the trade between IOR, Central Asia and India is the expansion of transit facilities.[35] India has been involved in developing

the port of Chahbahar by building railway tracks to the Afghan city of Zaranj. This is very important, as Chahbahar is Iran's closest access point to the Indian Ocean. It is a transit route between countries situated in the northern part of the Indian Ocean and Central Asia. The growth of the commercial sector located in the free trade area in Chahbahar has the potential to become a centre of business, as it is so close to south Asia, linking its commercial capital of Mumbai and the Middle East to Central Asia and the Afghan market. The link between Chabahar and Iran's main rail network, which is connected to Central Asia and Afghanistan, will logistically become more important than Pakistan's port of Gwadar. For India, this would also be very important as some predicted that that by 2020 India will expand its source of energy from the Middle East to Central Asia. Central Asia, with 7.2 percent of proven global oil reserves and 7 percent of world natural gas reserves, could become a useful source of energy supply for India.[36]

For India and Iran, Central Asian countries are potentially large markets for their goods. The North-South corridor will reduce transportation costs and consequently make Indian goods cheaper. Hence, their products will become more competitive in European markets in comparison to Chinese products.

The potential for further development is enhanced as the Russian network of roads and railroads connects Central and Western Europe via Eastern Europe. Iran has land links to Central Asia, and its ports offer warm-water sea routes to India. With India, Myanmar and Thailand becoming linked by road, the potential of the North-South corridor is endless. The corridor could evolve towards boosting trade between Europe and Southeast Asia.[37]

**Map 2:** North-South Corridor




Source: http://goldenline.info/maps.htm

In 2001, New Delhi and Iran signed a Declaration to strengthen the two countries' ties in economic, political and military areas. This included a plan for pipelines from Iran to India, which could become vital for both countries. Although there are other options such as going through Pakistan or under the Indian Ocean, this should potentially bring more stability to the region as it depends upon expanding cooperation between Iran, India and Pakistan. Despite some success, such as the work in Chahbahar, the countries in the IOR have yet to achieve their full potential.[38]

The potential for an Indian Ocean - Central Asian trade has been constrained by India-Pakistan rivalry. While the shortest route between India and Central Asia is through Pakistan, New Delhi has no desire to use this route for political reasons.

The prospect of a trade and transportation corridor between Iran, Central Asia and the Persian Gulf through the Indian Ocean Region seemed to be real when the Uzbek Foreign Minister, Vladimir Norov, visited Tehran to attend a meeting of the Asia Cooperation Dialogue in November 2010. Turkmenistan wants to export its vast natural gas to the rest of the world as quickly as possible. In the past, Karimov and other Central Asian leaders have tried to keep the Islamic Republic's influence out of their region, anxious that it would strengthen radical Islamism. However, they have become aware that the threat to their stability does not come from Shiite revolutionary forces. Rather, it is more likely to be caused by serious poverty in their own countries. Iran, therefore, is increasingly seen as part of the solution, not part of the problem. Iran has strong strategic reasons of its own to advance the development of such a corridor. The Islamic Republic wants to build more secure oil exports and commodity import routes that cannot be monitored or controlled by the US Navy in the Persian Gulf or the Indian Ocean. Iran also hopes that its relations with India, Russia and China will assist this process. It is in the light of this, that Iran's President, Mahmoud Ahmadinejad, expressed his enthusiasm for the project and improved relations with Uzbekistan and Turkmenistan, during the Asia Cooperation Dialogue meeting:

> *Agreements to connect the Persian Gulf littoral states to Central Asia, reached at the quadrilateral meeting, will generate many opportunities that would serve peace and progress within regional nations' . . . Transit cooperation ... will be an opportunity for all regional nations, particularly for the states which have set up this important and historical event.*[39]

This would emulate the old Silk Road, connecting Central Asia to the Persian Gulf in the west and the Indian Ocean in the south, to China in the north and the Pacific Ocean in the east, and would link the railroads of Central Asia, China, the Caucasus and Turkey to Iran. As a result of its geographical position on the east-west junction, Iran is capable of safe-guarding a more suitable transit route to the IOR and beyond. Such a development would benefit other countries in

and around the IOR, as the Head of the Iranian Chamber of Commerce clearly indicated in May 2008, when he enthusiastically pointed out that the IOR, with a population of two billion, and a GDP worth $2 trillion, has the potential to provide for a large part of the world's needs.[40]

Iran's cooperation with Indian Ocean countries is also important for the security of the region. In April 2010, Iranian admiral Amir Habibullah, indicated that Iran's policy is to have security cooperation with countries in the region throughout the Persian Gulf and the Indian Ocean. He expressed Iran's solidarity with the countries in the IOR to remove foreign forces as they are not necessary and, in fact, are the cause of instability. He emphasised the importance of the Indian Ocean for global security as well as international trade. Any disruption to sea routes in the region would harm the world economy.[41] Iran is aware that the world energy supply route is through the Indian Ocean from the Strait of Hormuz and the Strait of Malacca. Apart from serving as energy supply route, the Indian Ocean is also very important for commercial shipping, and any disturbance in the region can cause considerable damage to Iran's economic interests. Iran must also face the powerful US Navy fleet, consisting of destroyers and submarines, in the Indian Ocean. Therefore, Iran needs to have its own maritime security in the northern Indian Ocean in order to protect its national economic and political interests.[42]

The expansion of transit routes for the promotion of trade was a cause for regional cooperation. The North-South Corridor agreement linking the Indian sub-continent to Russia and northern Europe was signed by Iran, Russia and India. The Eleventh Summit of the Economic Cooperation Organization was held in January 2011 and attended by leaders and officials of these countries, including Ahmadinejad. The importance of the meeting showed that the ten ECO member countries were in agreement on the necessity for regional cooperation and the organization's role in solving regional issues. Owing to its location in Central Asia and its direct access to the major stream, including the Persian Gulf, the Oman Sea, the Indian Ocean, the Mediterranean Sea, the Black Sea and the Caspian Lake, the ECO has a vital role to play on the global stage. Because Iran is in the middle of the transit route from North, South, East and West, it seeks to take advantage of its close proximity to Europe, East Asia and Russia as well as to the newly independent countries of Central Asia. Above all, Iran can earn a substantial amount of income by providing transit facilities for other countries.[43] The importance of this was clearly indicated by Hamid Safdel, director of the Trade Promotion Organization of Iran, when he referred to a report by the International Monetary Fund, showing that Iran's gross domestic product (GDP) in 2009 was $343 billion, while $25billion accounted for the value of goods transited via Iran. In other words, the transit sector constituted about seven percent of GDP in 2009, which clearly indicates the importance of the sector in generating income for the country.[44]

Iran's Foreign Minister, Mohamed Mottaki, outlined his vision of the IOR in an interview in November 2010 during which he described Iran's intention to build [oil or gas] pipelines to transfer energy and to help develop Iran's economy.[45]

## Impediments and Outlook

Despite the opportunities for expansion of trade across the region, from the central Persian Gulf and the IOR, there are still several hurdles to overcome. Not least is the US imposition of sanctions on Iran and continued political influence on countries, such as India and China, in order to maintain pressure on Iran. India has not always adhered to the pressure from the US and the UN as it has continued to have relationships with Iran. The Rupee-Rial arrangement is also an attempt to protect Indian banks from sanctions. This is a direct challenge to the Chinese as India fears they may use the opportunity to enter into a dialogue with Iran.[46]

In 2011, Iran's crude oil exports to India increased to 9.5 percent.[47] In return, India provided 40 percent of Iran's refined oil.[48] In June 2009, Indian oil companies sought to invest in Iran's oil projects, worth US$12.5 billion.[49] The effective way is through pipelines, as they are more cost-effective in comparison to oil tankers. However, securing oil pipelines is more difficult at the present time. The US would prefer a route via Afghanistan, but it is likely to be a long time before peace returns there and any trade route is considered safe. India hopes that it can diversify its energy sources from Central Asia, which has long figured in New Delhi's plans.

Being well aware of this, the Chinese government has ensured its presence in both Iran and the IOR. It has collaborated with Pakistan, the Maldives and Myanmar to ensure its own national security is protected, in this case the flow of oil supply to its industries. What seems to be the case, as Sing observed, is that the IOR is the only region that is not totally under the control of traditional powers such as the US.[50]

India has also kept its options open by maintaining relations with the US, Israel and Iran, a clever strategy to be sold domestically against their greatest enemy, Pakistan. This has not always been easy, especially as Israel, being unsure of India, has strengthened its relations with Iran's neighbors, Azerbaijan, Armenia, Uzbekistan, Turkmenistan, Turkey and Qatar.

Iran has also been actively engaged in ensuring the region is relatively stable for economic development. This is clearly indicated by the Centre for Strategic Research, an Iranian think tank: Iran's cooperation with the US in 2001 was an important element that facilitated the removal of the Taliban from Afghanistan.[51] For obvious reasons, due to historical, cultural and linguistic links, Iran has played a vital role since the invasion of Afghanistan. Iran is the main trading partner and the port of Chabahar in Iran is the closest and best access point to

the Indian Ocean for landlocked Afghanistan. On top of this, Iran granted a 90 percent discount on customs duties or tariffs for Afghan trade, and the highway built by Iran to western Afghanistan facilitates this.[52] A stable Afghanistan is very important for Iran, both for tackling the refugee problem (over 2 million Afghanis still live in Iran) and for blocking the flow of drugs. Iran is aware that the infrastructure in Afghanistan and Central Asia is inadequate and requires much investment. The existing road and railway networks must be upgraded and expanded to meet the demands of future economic growth. Much investment is needed, which is not easily available, and the private sector is reluctant to invest in such projects, especially so in an unstable region.

Pakistani collaboration with the US has been an impediment to its relations with Iran. Afghanistan is another sticking point for the relationship, as both Iran and Pakistan are competing for influence over the country. As long as relations between Iran and the US are poor, the American administration will continue to place obstacles in the way of the Islamic Republic's greater involvement in the IOR. However, Afghanistan is gradually becoming a trade hub between Central Asia, the Middle East and Europe. New Delhi hopes that India will be able to export its commodities to Central Asia through Iran and Afghanistan. This opens up the way for India to trade with Afghanistan since Pakistan barred New Delhi from having trade links with the country, and with the rest of the region. In return, India agreed to finance the upgrading of the road linking the port with the town of Dilaram in the south west of Afghanistan. India, Iran and Afghanistan are hoping this collaboration will finally link Central Asia to the IOR. It is expected, once these corridors are built, that total regional trade will increase and there will be better economic growth for all.

## Conclusion

Iran's strategic geographical position not only makes it a natural regional power in Central Asia and the Middle East but also an important actor in the IOR. Taking a regionalist approach, Iran's foreign policy shows that its influence is crucial in the IOR, especially since the end of the Cold War. Iran has yet to become a great player, both in Central Asia and the IOR, because of internal economic and political problems.[53] This has been worsened by American efforts to isolate Iran internationally, as highlighted by the imposition of sanctions against the Islamic Republic. While the post revolutionary regime's agenda was to reduce Iran's reliance on oil, this has not materialised, as the country's dependence on oil has continued to the extent that the security of the state is oil-dependent. Oil income provides about 80 percent of foreign exchange earnings and 40 percent of government revenues.[54] This dependency makes economic stability unpredictable and challenging for the state. Despite the difficulties, complete reliance on oil exports, internal wrangling within the regime and the issue of corruption, Iran is still determined to become a regional power. The IOR is an important

link in the chain. The construction of a network of highways and railways, the strategic development of ports in Chahbahar (in the south) and Banar Anzali (in the north), are all part of its perceived role in the region. With Iran becoming a supply route for the Caspian Sea oil and gas, the economic and political implications make Iran an important state in the IOR and beyond. Iran can gain political and economic benefits from trade with Russia, Central Asia and India. The IOR would have access to Russian, Central Asian, and Eastern European markets for its goods. Although India is close to the Central Asian supply chain and could potentially be the biggest consumer of Central Asian exports, it currently has no toehold in the region.

The political challenge for the Islamic Republic is how to play off the differences between the US against China, India and Russia; and, at the same time, collaborate with them to achieve its goals. Iran's strategic location suggests that the Islamic Republic is in the right position to realise this potential. This, however, has not been helped by demands for democratisation, especially since the 2009 election resulted in Ahmadinejad winning another term. Whatever the differences between various factions within the Islamic Republic, Iran's success as a regional power depends on the dynamics of its economy in the coming year. In addition, Iran's trade and its relations with Central Asia as well as Afghanistan, India and China are all important aspects of being a major player.

Iran's relations with the IOR are based on pragmatism and positive political engagement. This has paid off to some degree following economic, political and cultural exchanges between the countries in the region, given the difficulties that Iran has been facing from US sanctions. The Islamic Republic is hoping to become a bridge between Central Asia and the IOR by facilitating the economic and cultural connections of the two regions. One of the greatest advantages of Iran is its geographical location – the country lies in the midst of these regions and is very closely linked to China and India. But Iran's biggest obstacle is the lack of contact with Washington. Despite this, Iran, India, Russia and China realise that they have mutual regional interests which could serve as a block against total US hegemony – something which they are all opposed to.

## Notes

1. See Energy Information Administration, http://www.eia.doe.gov/oiaf/ieo/highlights.html.
2. This point is clearly made by Fareed Mohamedi in an Interview, see Betts, A. Eagleton-Pierce, M. (2006). 'The International Politics of Oil' in St Anthony's International Review, Vol. 2, No I, May, Oxford.
3. See Persian Gulf Research Centre. http://www.persiangulfstudies.com/Fa/index.asp?p=pages&ID=695&Sub=280
4. Koplam, R. (2009). 'Center Stage for the Twenty-first Century Power Plays in

the Indian Ocean' in Foreign Affairs, March/April, Volume 88 • Number 2.

5. Iran's regular armed forces have about 545,000 personnel, but this excludes the 120,000 Islamic Revolutionary Guards with branches in the navy, air force, army and Quds. Basiji, a paramilitary volunteer force controlled by the Islamic Revolutionary Guards also number to over 1 million. See Morady, 2011.
6. IOR-ARC formed in 1995 but formally launched in 1997 in Mauritius with 18 members which include: Iran, India, S. Africa, Australia, Egypt and the UAE. The organisation's work mainly revolves around the distribution of information regarding trade and investment with the hope that there will be an expansion of intra-regional trade.
7. See I. Wallerstein, US Power and US Hegemony', in *Imperialism Now* (*Monthly Review*, August 2003).
8. For further debates on this see (Kiely, 2005, Callinicos 2003, Gowan 1999, Harman 2003, Harvey 2003).
9. See Klare, M. (2006), *Blood and Oil: The Dangers and Consequences of America's Growing Petroleum Dependency.* Henry Holt and Company, New York.
10. International Islamic organisation, is an intergovernmental organisation, founded in 1969, now has 57 members, see http://www.oic-oci.org/.
11. Inter-governmental organisation founded in 1965, see http://www.opec.org/opec_web/en/
12. The Economic Cooperation Organization was formed in 1985 by Iran, Pakistan and Turkey to promote economic, technical and cultural cooperation among the member states. Members now include Azerbaijan, Turkmenistan Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan and Afghanistan.
13. Founded in Shanghai in 1996, an inter-governmental mutual security. Members include China, Kazakhstan, Kyrgyzstan, Russia and Uzbekistan (joined in 2001). Iran, India, Pakistan and Mongolia are observers with intention to join at some point in the future.
14. Inter-governmental forum proposed by Kazakhstan's president in 1992 to promote peace, security and stability in Asia. The organisation's members include India, Iran, China and many Asian countries.
15. See World Energy Statistics, http://energy-statistics.blogspot.com/2010/12/global-oil-statistics.html
16. See Reuters, http://www.reuters.com/article/idUSTRE63C1CV20100413
17. See http://www.nationmaster.com/graph/ene_oil_con-energy-oil-consumption
18. See Zubir, M. & Basiron, M. N. (2005). 'The Straits of Malacca: the Rise of China, America's Intentions and the Dilemma of the Littoral States' in *Centre for Maritime Security & Diplomacy* http://www.southchinasea.org/docs/

Zubir%20and%20Basiron,%20Malacca,%20America,%20and%20China-MIMA%20Online.pdf

19. See Centre Islamic Science http://www.hawzah.org/Hawzah/Magazines/MagArt.aspx?MagazineNumberID=3398&id=15697
20. See Blair, B. G. & Yali, C and Hagt, E. (2006). 'The Oil Weapon: Myth of China's Vulnerability' in *China Security*, pp.32-63, the World Security Institute.
21. See Yao, Y. A. (2006). 'Chinese Strategy and Its Implications for US-China Relations', in *Issue and Studies: An International Quarterly on China, Taiwan and East Asian Affairs,* 42, no 3, pp165-201.
22. See Fair, C. (2007). India, 'Iran: new Delhi's Balancing Act', in *The Washington Quarterly*, 30: 3, pp 145-159, The Centre for Strategic and International Studies and the Massachusetts Institute of Technology.
23. British Petroleum, (2008). BP Statistical Review of World Energy June, pp. 8,10, 13. 24, 26, 29 http://www.bp.com.
24. Economic sanctions imposed on Iran when the US froze approximately $12 billion of Iranian assets. This was in response to the seizure of the US embassy by radical Iranian students during which 52 hostages were held for 444 days (from November 4, 1979 to January 20, 1981). Although the hostages were freed, the disputes between the two countries continued.
25. See Chansoria, M. (2010). 'India-Iran Defence Cooperation' in *Indian Defence Review*, Vol 25.1, Jan. Mar. http://www.indiandefencereview.com/geopolitics/India-Iran-Defence-Cooperation-.html
26. The term is used to refer to the educated class of Muslim legal scholars They are known as the interpreters of Sharis, See Moray, 1994
27. I have discussed this in detail in an unpublished PhD, *Continuity and Change: Study of Shia Islam and Modernisation in Iran*, 1994. See also Morady, F. (2010), 'Iran: Islamic Republic or God's Kingdom? The Election, Protest and Prospects for Change' in *Research in Political Economy*, Vol. 26. Emerald Group Publishing Limited.
28. Sajedi, A. (2008). "Nuclear Iran and Regional Security: An Iranian Perspective " in IPRI Journal VIII, No. 2, pp33-44. http://ipripak.org/journal/summer2009/Article5.pdf
29. This was not a new idea, it had already been put forward by some of Iran's former leaders, such as Mossadeq who had pursued a policy of `negative' balance between east and west, in order to maintain pressure on the rival powers, see Morady, 1994.
30. The Strait of Malacca location, between Indonesia, Malaysia, and Singapore, links the Indian Ocean to the South China Sea and Pacific Ocean makes it a vital area. It is the shortest sea route between the Persian Gulf and Asian countries, especially China, Japan, South Korea, and the Pacific Rim. It is the most important chokepoint in Asia with an estimated 15 million bbl/d

flow in 2006. See EIA, http://www.eia.doe.gov/cabs/world_oil_transit_chokepoints/Malacca.html

31. See Kalantri, V. G. (2003). 'India, Iran trade relations growing', in *Ettela'at* (Persian Daily Newspaper), June 17.
32. See Pasha, A. K. (2000), 'India, Iran and the GCC States: Common Political and Strategic Concerns,' India, Iran and the GCC States: *Political Strategy and Foreign Policy*, New Delhi: Manas Publication, 227-228.
33. See Financial Times, http://www.ft.com/cms/s/0/f220dfac-14d4-11df-8-f1d-00144feab49a.html#axzz1DNrEh1uS
34. See. http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113392.pdf
35. See Blank, S. (2003). 'The Indian-Iranian Connection and Its Importance for Central Asia,' *Eurasianet.org* March 12.
36. See Bashgahe Andishe, http://www.bashgah.net/pages-1956.html
37. See Ramachandran, S. (2002).'India, Iran, Russia map out trade route,' in Asia Times Online, June 29, <http://www.atimes.com/ind-pak/DF29Df02.html>
38. See Maiery, B. (2006).'Energy Security and Indian Ocean', in Persian, in the second conference of India Ocean research group in Tehran, in Mahname, No. 181.
39. See News Az in http://www.news.az/articles/iran/26335
40. See Mehr News Agency, http://www.mehrnews.ir/NewsPrint.aspx?NewsID=675809
41. See Resalat, See Iran, Daily News Paper in Farsi, http://www.resalat-news.com/Fa/?code=26262
42. See Islamic Republic of Iran's Defence, http://www.military.ir/modules.php?name=Forums&file=viewtopic&t=2167&start=45
43. See Melat, Daily News Paper in Farsi http://www.mellatonline.ir/index.php?option=com_content&view=article&id=4421:1389-10-05-07-25-36&catid=56:news&Itemid=68
44. See Iran, Daily News Paper in Farsi, http://www.iran-daily.com/1389/10/4/MainPaper/3853/Page/4/Index.htm
45. See Doniaye Ekhtesad, Daily News Paper in Farsi, http://www.donya-e eqtesad.com/Default_view.asp?@=231309
46. See The Diplomat, http://the-diplomat.com/indian-decade/2010/08/09/china-drives-indian-iran-policy/
47. See The Wall Street Journal, http://online.wsj.com/article/SB10001424052970203525404576049911567747094.html
48. http://www.csmonitor.com/US/Foreign-Policy/2009/0718/p25s05-usfp.

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49. See http://enews.mcot.net/view.php?id=13863
50. Ibid page 39
51. See Saghafi Ameri, N. (2009). 'America needs Iran in Afghanistan' *Centre for Strategic*, published in Iran. http://www.csr.ir/departments.aspx?lng=en&abtid=06&depid=74&semid=1593
52. See (2008). IRNA, November 7.
53. The latest political problem occurred during the June 2009 election, as the post-election protest has had a major impact on the Islamic Republic, both nationally and internationally, see Morady, 2010.
54. See Political Science and International Relations, in Farsi, http://www.psir.tk/post-53.aspx

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# 9

# State and Society in Turkey since the Rise of Justice and Development Party (JDP)

*Sermin Sarıca*

## Abstract

*The Turkish case of neo-liberal economic policies married with Islam has created a debate amongst academics and analysts. Turkey under the JDP government has gone through major transformation, namely the massive privatizations and the NGO-based poverty reduction strategies. Daily life has changed through reconstruction of the space, creating a new kind of citizenship and transformation of the labour power. This paper offers a critique of recent government policies, political discourses favouring charity and informal social assistance networks to maintain social cohesion resulting from privatizations, unemployment and to facilitate capital accumulation.*

## Introduction

In 1988, the political historian Feroz Ahmad observed that between 1984 and 1987 there was a significant rise in the number of cases filed in State Security Courts against activities deemed as reactionary – that is, those activities aimed at eliminating the secular nature of the state. However, Ahmad argued that it would be inaccurate to interpret such development in Turkey as a longing for a Shariah state. For him, this was impossible, since the Turkish Republic had taken a long road in the process of capitalist development and consisted of a society with a developing bourgeoisie and working class, which automatically negated such concerns. More briefly, according to Ahmad (1988), such an ideology would only find social support among ignorant and illiterate, unemployed and desperate masses that have nostalgia for the past. This view is based on the assumption that societies will no longer have the desire for an Islamic state once they gain the habits of a consumer society. In other words, there is no material ground for the transformation of an advanced capitalist state to an Islamic state. In this respect, one can only explain the revolt of an "Islamic identity" as a "cultural" phenomenon which occurred in Turkey in the 1980s.

Interestingly, the same historian made a similar assumption in his assess-

ments on the 1950s. He noted that with the *Demokrat Parti* (Democratic Party, DP) coming to power in 1950, the secularist approach to Islam was weakened; but that this should not be read as a victory of the anti-secularists. On the contrary, he continued, one could talk about the revolt of an Islamic identity as a cultural phenomenon in line with the DP's liberal approach to secularism (Ahmad, 2008). Yet, referring to an Islamic identity as a cultural phenomenon connoted different meanings in a period when there was no sign of Samuel P. Huntington's "clash of civilizations"[1] which is later adopted by the current JDP government in its discursive practicesand when identity politics were not elevated to a decisive position in social struggles (Huntington, 1993). Ahmad's argument was to demonstrate that this phenomenon was not so significant as to have a transformative capacity in state-society relations. However, the developments in the past two decades have proven to be quite the contrary. Islamic identity has increasingly become to be seen as a basis for the social struggle, both at international and national levels; at least, such a perception has come to be common.

In other words, the term "Islamic (identity)" does not connote politics and ideology that interpolate aspirations of the deprived masses for a better nostalgic past, but it means an approach that offers religion as a new social imagination for the generations who opt for better education and living standards (Göle, 2009; Buğra, 2001; 2004). Thus, it is argued that there is no validity to the thesis that Islamic ideology and politics will lose ground due to the requisites of capitalist development. Yet, at this point, the discussion gains a new dimension and raises the question of how to interpret the adjustment process of Islamist parties and/or movements to neoliberal globalization. So how should the relationship between capitalist development and growing Islamic movements be analyzed?

One should take into account that the "cultural" is not something autonomous, or independent from economics, even though it reflects changes in economics. In doing so, three different levels – namely economic, political and theoretical – should be considered in the analysis of this case in general and of Turkey in particular. First, it is important to emphasize that the persistent implementation of neoliberal economic and social policies have given way to societal divisions which opened new space for the mobilization of political Islam. Beside the problematic approach of the secularists in Turkey on the political level, there is also a theoretical development which made it easier for the Islamic parties to come to power: The divisions between public/private sphere or state/civil society which are perceived as being absolute for liberal theoreticians have become blurred, especially in the last three decades. Leaving the second point, namely the political, to the political scientists, in this paper we will look briefly on how the JDP has organized and changed the society via its economic policies.

Over the preceding decades, Islamists have developed communities, informal networks and associations that they linked to political parties by politically mobilizing millions of people. That is, "they had been successful in linking "civil

society" (networks that regulate everyday life, social space and people's relation to the economy) to "political society" (leadership that constitutes authority and unity) at least initially" (Tuğal, 2010).

One important aspect of Turkish political life since the Welfare Party era is that fundamentalist civil society organizations played a very important role in helping the JDP coming to power and consolidating its rule. They also played an important role in forcing people to live their daily lives according to Islamic values. How did the JDP change people's everyday lives and their relations to politics? It did so through its support for unfettered markets, integration with the international business community, deregulation, privatization and emphasis on conservative values/ethos/principles. The party was thus able to establish hegemony on the interface between civil society and political society.

## Structuring Hegemony-Creating Citizens: Economic Level

Certain economic exchanges have a significant impact on the formation of our personality. What a person can do and be, what s/he wants and what s/he can hope for, our relationships with others and our society are importantly influenced by the structure and character of the markets (Satz, 2010: 7-9).

As the economy changes so does its need for labour power. What is called "neoliberal transformation" is more a transformation of the labour power, as a productive force and also as a reproductive force namely the "citizen". Privatization, flexibility and neoliberal policies that the JDP accepted and applied with great success meant that more and more services were left to the households and/or informal sector. With the "austerity measures"[2] the cost of labour diminished. Restricting consumption decreased the pressure on wages and also narrowed down the living standards of the labour force. Women and informal sector workers were the ones who started to carry most of the burden. And by leaving them beside the, JDP was successful in constructing a wide alliance with the others who were left out. As Kaya puts it, the main success of the JDP was that it was able to make itself transparent to get the trust of the businessmen and to hide itself so perfectly from the people (Kaya, 2009).

After 1980, another turn with Turkish-Islamic synthesis to pacify social dissent started. This can be called a period of social unification with Islam. Through successive MLP (Motherland Party)[3] governments in the 1980s, the role of Islam as a unifying force to be mobilized for the consolidation of state power, has, to a large extent, been dominated by an extensive questioning of the traditional position of the state in society. Islamic identity has become radical politics of recognition. It was effectively using a language of social disadvantage and justice in a way to incorporate diverse segments of the population; ranging from the newly emerging entrepreneurs to other segments of the middle class, which includes Islamic intellectuals and professionals in addition to marginalized masses, like the

Kurds, consisting largely of new immigrants in urban centers. The language of the Islamic parties was based on notions of disorientation like "tolerance" (mostly to the non-secularist groups which were seen as socially disadvantaged).

Regional or primordial groups (based on ethnic, religious or linguistic ties) were founded on the basis of solidarity relations and they strongly opposed larger and higher organizations such as the state to undertake responsibilities in their spheres of autonomy; a phenomenon described as "flexible production". As Piore and Sabel say, flexible specialization entails "the fusion of productive activity, in the narrow sense, with the larger life of the community. It is hard to tell where society ends and economic organization begins" (Piore and Sabel, 1984: 275). The following common features of flexible production, listed below, can generally be observed:

a) decreasing role of national state-welfare

b) decreasing role of labour unions and collective bargaining practices

c) increasing significance of small and medium size enterprises

d) new social belonging and identity types

The quality of the labour market is influenced by many factors like housing, access to food and clean water, leisure, education and social inclusion/exclusion. Investment into these amenities is a process which affects and is affected by the quality and quantity of the labour supplied. The quality and quantity of the labour supplied affects the expectations of accumulation and the socio-technical changes in production.

One should also mention that the diversification of public services affects the geography of inequality; it decides over who gets what, when and how. Harvey, influenced by Lefebvre, says that in any society hegemony depends on the ability to control the materialist structure of individualistic and social experiences: "The hegemony over the space is an origin of the power over society and inside the daily life" (Harvey, 1997: 255). The distance to provision and the delay in provision creates inequalities in the distribution of public goods. Distance imprisons people, makes them migrate, and results in concentration or isolation of the population. Infrastructure also has distributional effects; it can create demand for new goods or it can help the marginal population to get integrated.

Public services also effect the distribution of time within a society, since badly structured services are time consuming (transportation, carrying water) It creates embarrassment, otherness, resistance and rage among communities (Sennett, 2005) or paternalistic and dependent relations between the state and its citizens. The more the commodification of services and goods; the more the working class families divide into two worlds; legal and illegal. They become more suspicious of "legal" politics and parties and less connected to the state (Taylor-Gooby,

2000). This in turn, creates space for other connections, like religious or mafia-like communities. This way, production and reproduction through the distribution of the products become very much connected to each other in construction of the "labour power" and "the citizen".

Public services also have subjective boundaries and institutional arrangements which are naturally combined with different types of labour power productions; production and distribution types, the geographical control of the population, demand increases or decreases. Living places are socialization places which effect a person's values, expectations, consumer habits, market capacities and consciousness levels. The neighborhood is the first place or origin of socialization for individuals. Labour power is segmented via living places which classify and diversify different social classes and groups. The result is that geographically diversified labour markets are quite different from each other.

Public investments change the geographical configuration of assets and affects access to them. Local infrastructure investments are fixed and long-term, which means that the investors and consumers will be dependent on a particular kind of usage and living ways of such investments for life. That is, the construction and reconstruction of the city is a way of fixing the societal division for a while.

The commodification as well as privatization of services change the conditions of both consumption and production. The space-time configuration of pre-capitalism is different from the space-time configuration of the era of commodity. In medieval ages, the submission to the seductive character of commodity and money was seen as a "sin" by religious "dedication". Money and commodities not only bring with them a different cultural formation but also another formation of space and time. Commodification needs a particular kind of perception of material praxis and legal terms, social relations and belief systems.

According to Marx, detaching public services from the state and shifting it into where it is dictated by capital, shows how much the real society reconstructs itself under the form of capital. The privatization stage shows the degree of capital influence on social production's conditions and the level of the capitalization of social reproduction wealth. At this stage, all needs are satisfied under the form of exchange.

Each type of provision of goods and services (public/private) has a different accessibility norm, a different access type and a different "consuming experience". A low level of commodification has a different social regime, different individualities and agent body regimes (the self perception of the individual, socialization practices, politization level etc.) Consumption is a complicated moment of inclusion, but for sure not a passive process. Consumption depends on social identity, geographical differences of settlements and class structures. Privatization changes the consumption practices. Simply seen as shifting services from the public to the private sector, privatization actually

means a shift from "rights" to "ability to pay". Commodification is not an economical procedure only, it is also political and thus related to concepts and ideologies such as ownership, individualism, state, democracy and freedom. Under a new social arrangement based on commodity culture, people develop new ways of participation, ethics and moral. Local democracy and power relations are reshaped. Social identity changes from being citizens with rights to being consumers. For privatization means a concentration in the individual use of commodities.

Privatization is also related to internationalization, because big firms start to relocate in areas which were occupied by the state earlier on. The decentralization of economical and political power comes with it. As a result, the role of the state changes.

Privatization during the JDP period has been the biggest, fastest commodification experience in Turkey. Only within 2 years, the JDP embarked upon more privatizations than in the 17 years between 1985-2002. Between 1985-2002, the returns from privatizations accounted for 7.891 billion dollars, while they reached 9.660 billion dollars in total between 2003-2005. Privatization took the form of "block sale", which resulted into more concentration of capital.

Another important tool of the JDP's economic policies in shaping the kind of citizen they want has been their "charity-based" social policies. Buğra (2007) says, being the ultimate authority in the social policy area, the JDP discovered: If there exists no rule in social policy administration, i.e. if it is unregular and not open held, there can be more advantage. For example, a paternalistic relation can be constructed between the receiver and the state. If social policy is regulated, rule-based and open, the benefits become "rights". And if people feel that it is their right, they will not feel obliged to the state. But if social policies are based on charity, it is easier for the state to manipulate its citizens. Bu□ ra also argues that a relationship (between state and citizen) not based on cash transactions but in kind creates its own political economy. For example, by donating refrigerators to a city, the state can, at the same time, satisfy the producers, sellers and distributors of these refrigerators in another city. This is not only a populist vote-oriented policy, it is also a policy of creating paternalistic relations and new capital areas.

Of course, "charity" is an important part of liberalism, not only in Turkey, but all around the world. In the 1980s, it was generally believed that the market, could solve all problems society faced, that it could create employment and prevent poverty. In the 1990s, charity network models came into the agenda. There is always a religious undertone in charity or willingness to help others. Conservatism became a partner of market economy - liberalism. Today, the economic model is not based on "pure liberalism" but on "conservative liberalism"; a system which is supported by the family, religion and

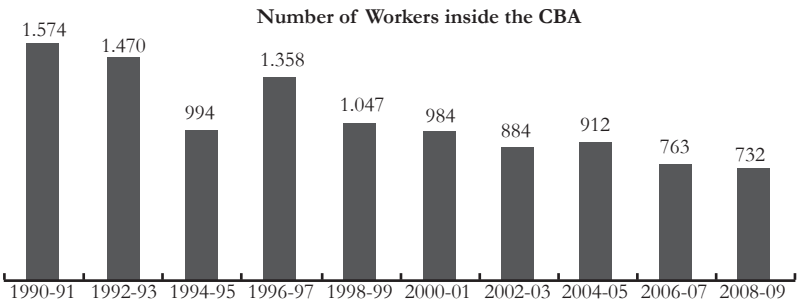
other non-economic institutions.

In terms of funding the JDP has been supported by Islamic capital which mostly came from small and middle-income enterprises in Anatolia. Getting their first recognition during the MLP era through policies that supported export, for instance, an Islamic finance system was created with the support of Arabian capital, *Waqf* [4] act, and the increasing power of the *Tariqa*[5]s.

Both the MUSİAD (Muslim Businessmen Association) and the Hak-Iş (Muslim Workers Union) respond to the challenges of the contemporary world economy and criticize the statist model associated with the past development experience of Turkey, using Islam as an important component of their organizational strategies. According to Musiad, the world economy is marked by two dominant tendencies: the advent of the information society which has many characteristics of pre-industrial, agricultural societies, and the shift of the center of the world economy toward East Asia.

Also important are traditional-cultural values and relation networks, especially religion, which has been used in capital accumulation and labour process. Linking the networks they are in with their Islamic identity, these enterpreneurs try to conduct their economic acvities through face to face relations and mutual confidence – thus, creating an Islamic sub-economy in which people satisfy their needs mutually. They both widened their relations universally and gained mutual benefits by creating funds for charity and educational activities run by Islamic networks and for Islamic aims. The new work ethics in these cooperations are not like the traditional ones, which were a minimal life-style in harmony with religious dedication, but one defined by luxury consumption. This development path can be called "modernization through tradition". By ignoring modern rights- seeking tools (like bilateral aggreements, unions and social security) within labour-capital relations, the JDP tries to hegemonize paternalistic, authoritarian relations based on informal and personal relations which help to minimize the labour costs. But as a final result, the class heterogenity within Islamic capital deepens.

After the crises in 2001 (the year the JDP started to be in power) the export-oriented sector witnessed a growth of nearly 7%. But this was mostly due to the use of cheap labour as a competition strategy. Parallel to this, public enterprises, where collective bargaining agreements were seen to be more common, eroded very rapidly after massive privatizations. In 2008-2009, the number of workers who were able to use the CBA (Collective Bargaining Agreement) was decreased to 732 thousand. This is a 55% decline, compared to the numbers in 1990-1991 which was 1,5 million (Sönmez, 2010).




Source: Sönmez, 2010.

According to Timur Kuran, commitment to Islamic principles fulfils two important functions for the business community. First, it alleviates feelings of guilt associated with personal wealth accumulation in contexts where money making activity is based on rather dubious legal arrangements, and consequently lacks social legitimacy. Second, it reduces the uncertainty associated with feelings of mistrust among businessmen through the formation of networks of trust and solidarity. These are the informal ties of trust. These ties are the basis of industrial relations between small and medium size enterprises and their workers, too (Kuran, 1993). Eventually, moral values become significant in settling disputes about fairness. Ties that bind the community of believers are often evoked as an assurance of stable and productive industrial relations.

So can we still talk about the civil society as being a protective belt against the anti-democratic state? Or should we see these organizations as making people part of the relations which makes them unconsciously part of the political party organization?

Civil society is an expression of class-based society since the beginning of capitalism. Therefore it is a basis for class struggle and can not be left out of the political process. One should notice that, one of the most evident characteristics of neoliberal transformation in Turkey is the aim of clouding class-based politics. The class-based politics was replaced by an identity-based one. This helped the JDP to present itself as the protector of democratic rights of the minorities against the authoritarian central state.

i) The state is restructured by the redefinition of its role in the economy.

ii) The democratic rights and freedoms of working classes are restricted within a legal frame as a long-run solution to the hegemonic crisis of the ruling class.

## Conclusion

To locate the issue between a secular state and civil society as part of an identity struggle is very different to understanding history in terms of class struggle. Neighbourhood and/or religious community relations on common identity

ground had an important function in blurring class-based politics. This is an important ideological intervention into the political arena, which has a critical role in redefining the whole history of Turkey.

The new "oppositional but hegemonic" discourse (Yalman, 2002) , which can be called a state-oriented but against-state epistemological approach, contended the JDP as the driving force of the multi-cultural democratization process in Turkey. Equalizing the JDP's power with a democracy, peace and principle of law "revolution", this new discourse edits the orientation of political struggle as an antagonism between the secular state and continuation of the democratic regime.

The way to the construction of a liberal-Islamic historical bloc was built via the Islamisation of the society from below. With the new forms the religious communities took on the one hand and the ongoing wars of "position" (in Gramscian terms) towards the transformation of the center on the other. Especially after the elections of July 2007, the JDP has taken important steps towards the latter, as reflected by the rhetoric of "saving the Turkish political life from bureaucratic guardianship" or "normalization of the Turkish political life".

Within the last three years, Habermas inspired intellectuals close to the JDP have tended to argue that the new state could better be defined as "post-secular," as it starts to put itself as a subject aiming to transform the center. This could be seen as entailing a shift from its characterization as "post-Islamic" by outside observers such as A.Bayat (2007), when it was trying to position itself at the center. All these point out that the transformations made by or aimed by political Islam are a "passive revolution" or "transformismo", which does not lead to or even require a break, again in Gramscian terms.

"Islamists no longer challenged the system head-on, but their participation also transformed institutions without overthrowing the existing elite and the secular system" (Tuğal, 2009). Some called this process a massive transition from Islamic radicalism to free market conservatism. Others described it as the transition from Islamism to (economically) liberal and (culturally) conservative Islam - or as a war of position against the secular system. But what one can be sure of is that ending class-based politics is a (ruling) class-based strategy.

The neoliberal hegemony which let no way to alternative public policies required urgency in solving the representation problem of the political parties. All party programs were nearly the same in their alternative offers. So a party which represents the demands of different social fractions was needed. The JDP with its "servant state" approach was an ideal candidate for the aim of transforming the state under neoliberalism.

State mechanism has become equal to the party, i.e. the JDP. The party is the embodiment of religious community relations. The citizen, as long as s/he is a member of the community, becomes ... the servant state of the JDP is applied so that they not only choose who to serve, but also what to serve: Coal, ramadan

aids, breaking fast tents. The benefits offered are not in cash but in kind and the state "decides" what the population 'needs'. (Sak, 2011).

As the state mechanism starts to become the same as the organization of the party, as well as the social policies of the ruling party, the JDP builds new relations between the citizens and the state/party. With its means-testing, microcredit and/or cash transfer mechanisms used as poverty alleviation strategies, these measures are used as political control or even punishment mechanism if needed.

## Notes

1. In response to Fukuyama's "end of history", Huntington argued that in the age where "ideology" had ended, the primary axis of conflict became the "clash of civilizations", which is along cultural and religious lines.
2. A policy of deficit-cutting, lower spending, reduction in the amount of benefits and public services provided.
3. Motherland Party founded in 1983 after the coup d'etat of 1980, was a centre-right nationalist party which supported restrictions on the role that government can play in the economy, favoured private capital and enterprises and allowed public expression of religion.
4. Religious endowment for charity purposes
5. Islamic religious order

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# 10

# Oil and Development in Sudan: A Natural Resource Curse?

*Alexandra Kelbert*

## Abstract

*The discovery of oil in Sudan in the late 1970s raised expectations of economic boom and betterment of living standards for the Sudanese population. However, if the country's Gross Domestic Product (GDP) has indeed increased, its Human Development Index (HDI) plummeted[2]. Oil has not been a catalyst to prosperity and development, but rather it has fuelled inequalities and conflict and still now represents an impediment to peace building and development. Such a paradox is commonly known as the 'resource curse' or 'paradox of plenty'. An analysis of the evolution of the political economy of Sudan since the early 1980s supports this premise. In fact, it would seem that oil discovery, in concordance with globalisation exacerbation post-1980, compounded the weaknesses inherent to the Sudanese government with regards to the political economy of the country, thereby acting as a major cause of political and economic turmoil rather than creating sustainable growth opportunities and social development. However, I believe the notion of 'curse' or 'fate' of the country is not suitable. Indeed, the final claim is that there are mechanisms and initiatives that could enable Sudan to positively grasp the benefits of being an oil producing country in the era of globalization. wo proposals are eventually put forward, focusing respectively on supra-state and non-state actors. The belief underlying such proposals and the argument of this paper is that it is necessary to temporarily shift the focus away from the state towards a broader range of actors that have greater capabilities and incentives to make a positive contribution.*

## State of the Oil Industry in a 'Globalized' World

The 1980s and onwards are often referred to as the 'era of globalization'. Globalization has been interpreted differently by various scholars: from Friedman's understanding of a mechanism of convergence through technological advance creating a 'borderless world' to Fukuyama's belief in the 'end of history'. Others have argued that globalization as a stage of capitalist expansion creates winners and losers, zones of prosperity and zones of exclusion, more often than not alongside each other[3]. If definitions and understandings can vary greatly, it is generally agreed upon that globalization was facilitated by the revolution in telecommunications and transportation. Such a revolution was aided by the discovery of materials and ways to speed up transfers of people, goods and information. In that sense, the energy consumption market –championed by oil, gas and coal-

lies at the heart of the contemporary international political economy. According to the International Energy Agency, global demand for oil rose to 87.8 million barrels per day (mb/d) in 2009, from around 75 mb/d in 2000.

However uneven, the trend of the global demand for oil has been exponential and it is today the most traded commodity in the world (Yates, 1996: 3). Besides, the increasing demand for energy of emerging economies such as the BRIC countries (Brazil, Russia, India, China) in the past decades has exacerbated dependency on oil and led to the intensification of exploration in search for new sources of oil. In this context of ever-increasing global demand for oil, the African continent has drawn more and more attention. In fact, China is now Sudan's largest trading partner and most importantly its largest oil customer, buying about two-third of Sudanese oil exports.

At the moment, companies involved in oil projects in Sudan come primarily from Asia. The Sudanese government, through the Sudan National Petroleum Corporation, Sudanet, works with foreign companies such as the China National Petroleum Corporation (CNPC), the Oil and Natural Gaz Corporation (ONGC) from India and the Malaysian Petronas to develop the oil sector. Indeed, Sudanet developed joint ventures with such foreign partners, in which it remains a minority shareholder.

The dawn of the 'era of globalization' coincided with the rise of neoliberalism in the 1980s. In fact, it can be argued that the latter enabled the exacerbation of globalization. Neoliberalism, as an ideology, is the marriage of neoclassical economic propositions -k based on the idea that economic growth is best achieved through the reduction of state involvement in the economy- with the political project of implementing such economic tenets.

The story of Sudan as an oil-producing country in the last thirty years is deeply enshrined in the geopolitics brought about by the processes of globalization, and is to be understood in relation to a changing global historical context.

## Paradox of Plenty Theory

A liberal view would suggest that there is a correlation between the presence of highly demanded tradable natural resources and high levels of economic growth and subsequent social development. However, empirical observations suggested that resource-rich countries did not perform better than others (Sachs and Warner: 1995) and were in fact often more likely to experience conflict (Collier, 2008: 38-52). Consequently, scholars have pointed out to the notion of the 'paradox of plenty' or 'resource curse' to explain the fact that often the poorest and most conflict-ridden countries are endowed with copious amounts of natural resources.

The literature on the resource curse follows from the notion of 'rentier states' developed by Hussein Mahdavi. In the 1970s, Mahdavi coined the term 'rent' as an income derived from the gift of nature. Consequently, a 'rentier economy'

refers to an economy whereby the creation of wealth is an effortlessly 'accrued' rent rather than an 'earned' income, concentrated around a small fraction of the society (Beblawi, 1990: 86). At the core of Mahdavi's model was the belief that the failure of a rentier state laid in its political realm rather than in the presence of resource itself. Indeed, the mere presence of natural resources often generates a struggle for their control, which, in turn, leads to the downward spiral of conflict and rent-seeking behaviour and strategies.

Following that line of reasoning, Paul Collier argues that resource revenues can worsen governance when democracy is weak and not enough power restraints are enforced. At the core of Collier's argument is the belief that resource-rich countries fail to look after skills, institutions and social capital, hence limiting the prospects for sustainable growth and development (Collier, 2008: 38-52; Auty, 1998: viii).

In the case of Sudan, the discovery of oil in the late seventies raised expectations of economic boom and betterment of living standards for the Sudanese population. However, today more than three decades following the discovery of oil in the Southern region of the country, if the country's GDP has indeed increased, its Human Development Index plummeted to the 150$^{th}$ rank (out of 180) according to the Unites Nations Development Programme (UNDP). This paradox between GDP and HDI figures cultivates the ongoing debate as to the adequacy of the GDP as a truly representative index. It also shows that there has not been any significant impact of oil revenues on indicators such as infant mortality rates, which are 'highly sensitive to even tiny changes in nutrition for the poor' (Ayittey, 2005: 156). What this means is that generally, the poor have not benefited from the development of the oil industry in Sudan.

## The Case of the Sudanese Political Economy Post-1980s

Sudan has gained its independence from Egypt and Britain since 1956. It has a population of 39 million inhabitants, 40 percent of which live under the poverty line. The country's economy used to rely primarily upon cotton and gum Arabic. In 1979, some oil reserves were discovered in the south of the country. As a result and within a few years in the 1980s, Sudan switched from an agriculture-driven economy to one mainly dominated by oil exploitation. Nowadays, Sudan has proven reserves of five billion barrels and a daily production of 480 000 barrels, which mainly go to China. According to the BP Statistical Review of World Energy (2010), Sudan is Sub-Saharan Africa's third-largest oil producer, after Nigeria and Angola.

After the discovery of oil, the system of production was reorganised around that key commodity and geared towards its export, to the detriment of the development of a varied internal market. Economists have pointed to the notion of

the so-called 'Dutch disease' (Gylfason, 1999), whereby often, large revenues in one sector of the economy can raise the exchange rate, which in turn reduces the competitiveness of other sectors of the economy and prohibits diversification[4].

As oil revenues built up, there was an increase in production and distribution costs. The result was that other exports such as cotton and gum Arabic became unprofitable and the production collapsed (Edwards, et al., 1983: 119). Going beyond the economic analysis, one could argue that in the absence of a strong domestic market, the Sudanese government failed to buoy up domestic food production, when those traditional agricultural activities could have acted as an insurance against the potential social misery resulting from a collapse in the prime commodity export. Such a loss meant that the country could no longer feed its population and had to import food supplies (Reid, 2009: 302). Sudan is now a net food importer.

It is now commonly agreed upon that dependency on a single commodity is an unsustainable route to development given the likelihood of declining terms of trade[5]. Oil is often subject to crisis, which leads to the great volatility of its price. As a result, oil-dependent economies being highly reliant on the rules of the market (i.e.: supply and demand) are prone to economic instability. Indeed, when Sudan was still a net-importer of oil, it experienced several backlashes from the oil price increases in the 1970s (Edwards, et al., 1983: 119). Since it started exporting oil as its primary commodity, the country experienced the uncertainty of global oil price slopes. The latest example to date with regards to the volatility of oil prices and its impact on the Sudanese mono-economy is the recent financial crisis (2008-2009). In fact, even though some Sudanese officials came to believe that the sanctions imposed since 1993 from the West[6] acted as a 'big economic protector' (Omer Salih quoted in the Sudan Tribune, 27.10.2008), the decline in oil prices resulting from the credit crunch greatly affected the real revenue of the state. Indeed, in 2008 oil export revenue accounted for 63 percent of government revenues (Te Velde, 2009: 18). This, along with other factors, led to the deterioration of Sudan's internal and external balances, resulting in a 4-6 percent fall in economic growth, when growth had been going up by 8 percent between 2000 and 2007 (African Economic Outlook, 2010).

In the era of globalization, characterised by some as being a convergence towards a borderless economy, the degree of openness[7] of a country is an indicator often used to evaluate how 'globalized' a country is, by measuring the extent to which its economy depends on trade with other countries or regions. In the case of Sudan, the economy rose from 11.1 percent in 1990 to 44.8 percent in 2008. In an era characterized by the interconnectedness of actors across the world, such a rising degree of openness is a key indicator in explaining Sudan's increasing proneness to external shocks as shown by the example of the 2008-2009 crisis.

The extraordinary growth figures of Sudan in the past decades have spurred the belief that the infusion of petrodollars was having a positive impact. How-

ever, the creation of wealth did not benefit the vast majority of Sudanese as it remained confined around Khartoum. Collins (2008: 233) qualifies oil exploitation in Sudan as the exploitation of southern oil by foreign companies for the benefit of northern Sudanese Arab elites. The gap between the very rich in the capital and the very poor throughout the rest of the country grew greatly during those years (De Waal 2007: 21).

The creation of this dichotomy of the Sudanese society between those in position of power and the rest follows the path developed by Mahdavi in the case of Iran in the 1970s. Indeed, Sudan's economy has been labelled a rentier economy, whereby the creation of wealth remained concentrated around the government and its patronage ramifications (Tubiana, 2007: 87).

One key feature of rentier states is that, as they do not depend on domestic taxation to finance development, their governments are not forced to formulate their goals and objectives under the scrutiny of citizens who pay the bill. If a government's fiscal survival depends on it having to raise money from its own people, it is more likely to be driven by self-interest to govern in a more enlightened fashion (Mahdavi, 1970; Karl, 2007: 256). The problem with the way Sudan has dealt with oil is that it has distorted the structure of incentives facing the government. With oil production, the government of Sudan found an opportunity to avoid building productive arrangements with their own citizens. In the process, Sudanese people have been sidelined from policy making, policy orientation and policy implementation processes.

As a result, in Sudan, the perpetration of the patronage regime rather than the promotion of democratic values can be attributed to the lack of economic incentive for the government to secure a sustainable and varied flow of revenue (Tubiana, 2007: 89). That in return keeps the country in a state of political stagnation.

Furthermore, in Sudan, clientelism in combination with the flow of oil revenues from 1993 onwards created the necessary conditions for the usage of petrodollars to solve political issues. Indeed, with the oil rent the government bought political support from the elites and helped build up the military by spending money on weapons (Collins, 2008: 236). Petrodollar bribery included paying off opposition leaders and arming private militias, with the example of the janjaweed in Darfur. As argued by the secretary-general of the Communist party, Mohamed Ibrahim Nugud, 'oil is what has kept the incumbent elites in power' (quoted in Sander, 2009).

Lenin argued that the immense accumulation of money capital emanating from rent led to the extraordinary growth of a social stratum of rentiers, growing more and more isolated from production (Lenin, 1917 cited in Brewer, 1989: 120-121). Furthermore, he argued against the parasitism or 'rentier mentality' that emanates from a rentier economy, in that such a mentality translates into the break in the work-reward causation (Beblawi, 1990: 88). Besides, it alienates

some strata of society from others, therefore eroding the social glue that holds a society together.

This erosion of social unity and the deepening of inequality have had a great effect on the emergence and the perpetuation of the ongoing Sudanese conflict. What is more, the presence of oil beneath the feet of people in the South has raised the stakes of the conflict. More than just funding the war, the 'black gold' buried any prospect for peace (Collins, 2008: 232-233). Generally speaking, for ordinary people in the South -the oil-rich region of Sudan- the legacy of oil has not been new schools, roads or hospitals but displacement and destruction. During the scramble for oil in Sudan, petroleum companies, international or local, have systematically displaced and dispossessed residents to drill new oil wells. The 'scorched earth policy' implemented has hampered any prospect for development[8]. Also, the displacement of people in itself has rendered peace even more improbable (Christian Aid, 2001: 3). In that sense, oil has led to the escalation of the conflict.

Furthermore, the failure in the implementation of the 2005 Comprehensive Peace Agreement (CPA)[9] is often partly attributed to the failure on the part of the government to fulfil commitments to the oil revenue sharing clause. Indeed, the section lays down the basis for economic cooperation between the North and the South, stating that 'the wealth of Sudan shall be shared equitably and that the government of national unity will provide transfers to the government of Southern Sudan (GoSS)'. The deliberate obstruction of the CPA implementation by Omar Al-Bashir's ruling National Congress Party (NCP) is a clear impediment to the hard-fought peace. In not cooperating on issues of oil revenue-sharing, which is at the core of the agreement, the government of Sudan is not going forward in the implementation of the CPA, therefore undermining its credibility (International Crisis Group, 2007). In that sense, the presence of oil has led to the prolongation of the conflict by raising the stakes of the issue[10].

This section has argued that the switch to a single-economy following the discovery of oil in Sudan has had huge implications on the country's political economy and social development. Such complications have been widely acknowledged as following the path of a 'resource curse' or 'resource trap', as it happened in many other resource-rich countries, especially in Africa.

## Recommendations and Concluding Remarks

Based on the evidence put forth in this paper, it appears that for the time being, Sudan is experiencing what has been acknowledged as a natural resource curse.

Natural resources can be harmful for the various reasons that have already been explored by various economists, and discussed above in relation to Sudan. However, if there is a wide range of literature on the topic of the resource curse, this should not have to be the fate of Sudan. If the paradox of plenty theory can indeed describe and explain what has happened in Sudan in the past thirty years,

it does not seem to aim at finding a new model in which the curse can be overcome and turned into an opportunity.

Different solutions, to be implemented by state or non-state actors, have already been put forward by various scholars of the development community. In the case of Sudan, I believe that putting forth reforms to be effectuated by state actors and government officials would not be fruitful. Indeed, behind the extraordinary figures of oil revenues are other figures less impressive. In fact, Transparency International's Corruption Perception Index places Sudan fourth most corrupt country in the world. Therefore, it would seem that the State of Sudan is a problem rather than a solution. Besides, Sudanese officials lack the incentives to forego the advantages they reap through oil exploitation. As a result, the initiatives put forth now focus primarily on non-state and supra-state actors.

The first issue that could potentially be addressed is that of information. Indeed, transparency and the disclosure of information concerning oil revenues is a real issue in Sudan. Figures tend to vary greatly from one source of information to another, according to one's agenda. The implications of such a secrecy surrounding matters related to oil are severe. Indeed, if Sudanese citizens or community-based organizations (CBOs) do not know what revenues they are entitled to, they cannot organize and hold the government accountable.

In that respect, one initiative can be brought to the fore: the Extractive Industry Transparency Initiative (EITI). The EITI was launched in 2003 and aims to strengthen governance by improving transparency and accountability in the extractives sector. It supports improved governance in resource-rich countries through the verification and full publication of company payments and government revenues from oil, gas and mining. The EITI sets a standard for companies to publish what they pay and for governments to disclose what they receive. What is more, civil society groups play a full and free part in helping to design, run and oversee the EITI, therefore granting the initiative with more legitimacy (Global Witness, 2009).

I believe that transparency is a first step towards accountability and eventually development. Pressure to get Sudanese and/or Chinese companies involved in oil extraction in Sudan to join the initiative should be prompted.

Another issue to be addressed, closely linked to that of transparency, is the rampant problem of governance in Sudan. Sudan is one of the most conflict-ridden countries in the world. It is riven by war, oppressed by an unrepresentative and authoritarian government, and stricken by extreme poverty and recurrent famine. In a 'turbulent state' such as Sudan[11], democratization from below, as a process of cohesion building, carried out by active citizens is the only way to bring about political and socio-economic betterment. Participation of citizens cannot be ordered 'from above', it has to be demanded and carried out 'from below' (Cheru, 2002). Therefore, the country is to rebuild through a striving civil society, one that provides an alternative vision of welfare and social develop-

ment. If Sudanese civil society organizations (CSOs) could agree upon a common agenda, they would be able to act as a lobby to the Sudanese government. Grassroots civil society movements have shown their efficiency in other regions in Africa. The main concern should be that a resource-rich country like Sudan should not be home to some of the poorest people in the world. Sudan with discounted cash flow from oil of USD '1 million per day, should not be spending less than 5 percent of its GDP on public goods and services when most of the budget is allocated to defence and security' (Verney 1999: 6 and Poverty Reduction and Economic Management Unit, Africa Region: 2007). A study conducted by the World Bank (WB) shows that Sudan is the country with the lowest public expenditure. Civil society movements should move beyond the centre/periphery divide and ask the government to use oil revenues to accelerate economic development through investments in other sectors of the economy (Sen, 1999: 175).

Various local initiatives have spurred in the recent years to fill the gap left by governments in taking care of the people, some of them with a specific eye to oil exploitation. The Collaborative for Peace in Sudan is an association of Sudanese CSOs, it has launched an initiative called the Sudan Oil and Human Security Initiative (SOHSI) in partnership with Peace Direct aiming at safeguarding the impact of oil drilling on local communities by instigating a dialogue between local communities, oil companies and government through the identification of the mutual benefits to all actors. The SOSHI uses local mechanisms to help resolve conflicts (displacements, occupation, relocation, compensations).

Sudan's embrace of globalization through oil production has not been beneficial to the majority of the people. Based on the evidence put forth in this paper, it appears that for the time being, oil has been an impediment to development in the political and economic realm, rather than a stimulus for development in the country. In an already troubled country, the discovery of oil cannot be said to have initiated the economic and political troubles currently experienced in Sudan, yet it has fuelled economic deterioration, state disorganization and regime decay (Karl, 1997: 189). It has led to the isolation and alienation of various strata of society from one another and eroded the social glue of Sudan.

The paradox of the resource curse is best highlighted by the fact that if oil revenues enabled Sudan's GDP to grow threefold in the last decade, ratios such as the child mortality rate are still going up. In fact, human capital and foreign debt are now worse off than they were prior to the discovery of oil fields (Auty, 1998). Oil in Sudan seems to have provided unlimited opportunities for personal wealth accumulation for the ruling elites of the country (Moyo, 2009: 48).

The final claim is that to positively grasp the benefits of oil production in the era of globalisation, transparency mechanisms should be implemented so as to use the proceeds of oil sales to develop other sectors of the economy and implement a pro-poor spending trend, as stipulated in the CPA (Chapter II, 1.4.). If

the current authoritarian and repressive regime of Sudan does not seem keen to bring about development to the country, it is the role of grassroots civil society movements to carry on a process of democratization from below and reverse the trend of the 'oil curse' (Cheru, 2002: 45). Grassroots civil movements should therefore run parallel initiatives and act together in building a practical alternative to solve Sudan's most stressing issues, with an eye on oil revenue spending.

The two initiatives I put forward differ greatly in their aims and modus operandi. However, common to both is the belief that to find a sustainable solution to the issue of resource extraction and production one cannot isolate actors. Civil society, governments, oil companies, NGOs, all have to work together in order to safeguard the impact of oil exploitation onto local communities. In doing so, instead of driving the country backwards, oil would enable Sudan to reap the benefits of globalization.

## Notes

1. This paper was written and presented prior to the January 2011 referendum that took place in South Sudan, the outcome of which was a 98.93% plebiscite in favour of secession. Accordingly, South Sudan –the world's newest country- will come to being on the 9th of July 2011. This paper is thus concerned with the development experience of the Republic of Sudan within its 1956 borders. The recommendations put forth at the end of this paper being broad in their scope can therefore be applied to both countries-to-be.
2. The Human Development Index, introduced by the United Nations Development Programme, takes into account social indicators such as life expectancy, adult literacy, gross enrolment in education and purchasing power parity.
3. On the relationship between globalization and inequality -and to only name a few- see Hurrell, A. and Woods, N. (1995). Globalization and Inequality. *Millennium*, 24(3) and on globalization as means of dispossession see wa Muiu, M. and Martin, G. (2009). *A new Paradigm of the African State*. pp. 98-101.
4. The prime symptom of the Dutch disease is the overvaluation of a currency -against the other currencies- as a result of the weakening of the current account of the balance of payments. That country's other export activities, especially manufactured goods and services, become uncompetitive.
5. For more on the subject, see analysis of the Prebisch-Singer principle.
6. Due to its highly unsustainable debt and its perceived economic political mismanagement, Sudan was expelled from the IMF, and loans from the WB were blocked. Also, the country was added to the US list of states sponsoring terrorism in 1994, which led to its alienation on the international scene. Other explanations given to justify the sanctions have been the prevalence of human rights violations, including slavery, and the fact that it constituted a threat to the national security and foreign policy of the US. However, it should be noted that companies such as Pepsi and Coca-Cola are exempt of sanctions and have kept importing Gum Arabic from Sudan, as it is essential to the production of their merchandise. (Collins, 2008: 235)

7. The degree of openness is the percentage measure of the total value of exports plus imports divided by the GDP and multiplied by 100. (Ahmed, M. (2009). *Global Financial Crisis*.)
8. A scorched earth policy is a military strategy or operational method which involves burning or destroying anything that might be useful to the enemy while advancing through or withdrawing from an area. Although initially referring to the practice of burning crops to deny the enemy food sources, in its modern usage the term includes the destruction of infrastructure such as shelter, transportation, communications and industrial resources.
9. The CPA is a historic peace agreement aiming at bringing to a close the deadly civil conflict that has been ravaging Sudan since 1983. It was signed between the Sudanese Government and the Sudanese People's Liberation Army, creating a separate Government of Southern Sudan in the South and a Government of National Unity based in the North, for an interim period of six years. (Mohamed, 2007: 199).
10. For further information on the topic of oil, conflict and displacement in Southern Sudan, see Moro and Barltrop's discussion in St Antony's International Review (STAR, 2006).
11. The term was coined by Sudan expert Alex de Waal (2007: 1). I believe it is more appropriate than the too commonly used terminology of 'failed state'.

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# 11

# Spontaneous Society: Sowing Self - Development

*Horacio Gago Prialé*

## Abstract

*When you speak of Spontaneous Society in countries like Peru, in the middle of Andean South America, you are dealing with an economy in which communal organization has been placed at the service of private initiative and advantage. The idea of individual progress, wellbeing and prosperity is extremely attractive among the society. Nevertheless it can be argued that the bonds of solidarity have their roots in the old communal traditions. This argument is based firstly on the fact that the spontaneous society has developed rapidly, and has been able to present an alternative socio-economic reality that has proven twice as effective as the legalistic system. Such speed and effectiveness suggests that we are dealing with an organization that has been in existence and operated often in the past.*

## Introduction

Focusing on one particular case, that of Peru, I set out to explore the futility of laws passed by states to resolve the social problems of the Developing World (80% of humanity – if one adds the former communist republics). In this context I propose certain juridical principles to explain the contradiction between the product emerging from the desk of the *legislative bureaucrat* and the reality of the Law as lived by the people. I defend the thesis that the Law's fundamental discrepancies have their basis in the long-standing divorce between lawmakers and the nature of things, that is to say, between the process of normative creation and objective reality, which is complex and diverse.

By confirming that the contradiction between *state law* and *reality* does not have its essential basis on juridical grounds, but that it is rather political in nature, with its roots in the international economic order; this paper then goes beyond the field of the Law and encroaches upon that of Development. For this reason I take it for granted that I may lose the interest of a reader who is a lawyer, steeped as he is likely to be in the rigours of formal logic. On the other hand, I hope to interest the reader open to a discussion about the responsibilities of the Law in the face of the economic and social development of the countries making

up the bulk of humanity.

Since the demise of positivistic legalism as a juridical model, there has been talk of an increasingly intolerable abyss between the written law and justice within the contemporary juridical system. However, there has also been an admission of the difficulty of replacing the exactitude of formal logic with new and reliable juridical systems. The complexity of social relations at the beginning of the twenty-first century has brought about the disappearance of predictability and normative omniscience as theoretical principles. The search for certainty and surety, that is to say of exactitude, a cornerstone of the Law in its legalistic sense, has become impossible in the intricate tangle of a pluralistic urban society in the world today. This general situation is applicable to all societies in which legalistic positivism had an influence, and it becomes evident when the object of analysis is a society like the one treated in this paper. To put it another way, in the context of urban societies in the Third World at the beginning of the twenty-first century, it would be an abortive enterprise to essay an explanation limited to the positivistic facet of the Law while ignoring the complex network of juridical relations.

By contrast, with the varied process of population growth in Europe, where urban industrialization made it necessary to procure a larger labour force, most of which until then had worked in the rural areas, in Latin America the migration to the cities by massive numbers of peasants was the result of the iniquities inherent in a modernizing society based upon a caste system and the collapse of rural life as a viable alternative. In Latin America the urban population has in fact grown fourfold since 1900. As the countryside began to empty, the cities grew and became more splendid, and this process mushroomed when agrarian reform laws, instead of improving the lot of the peasants, only served to *bureaucratize* the countryside. Ultimately, this has become a Latin American phenomenon. And because of its central position, both in terms of the geography and history of South America, Peru encapsulates very neatly this process of demographic transformation, urbanisation and *mestizaje* (crossbreeding).

The *mestizo* society, formed as a consequence of the massive wave of migration, did not take long to clash with the centralized, positivist system of government. In Latin America legalistic positivism took root at the very moment when the majority of the population was isolated, divided or in a state of disintegration after the physical or cultural shocks suffered in the sixteenth century. Following a lineal, progressive logic, the positivist State considered that the vanquished civilizations would become weaker and weaker until they disappeared altogether, and that the very force of positivism, the new official doctrine, would impregnate the totality of social relations. The ruling minorities did not foresee that groups of people languishing in the Andean *punas* (wastelands) would not disappear, and that they would, in fact, one day form new social organizations. Indeed, in time, diverse social, cultural and historical circumstances would lead them to

prevail as *syncretic* social groups in opposition to other cultural influences. It had not been foreseen that the children and grandchildren of the Indians inhabiting the heights of Peruvian Andes, after being uprooted from their ancestral lands and shut in *reducciones* (reserves) by Viceroy Francisco de Toledo, would one day become Peru's most dynamic *mestizo* merchants. Where once there had been nothing but desert, they would in due course open markets operating within the so-called informal economy.

In a historical perspective, the phenomenon known as "spontaneous society" opens our eyes in a unique way to the radical transformation not only of society but of humans themselves. If it is remembered that the agents of change are the very sons and daughters of the Indians who survived the Conquest, the *encomienda* (a feudal system of tribute and labour), transportation to Indian reserves, arduous work in *haciendas* (large estates) and open discrimination during the colonial and early republican eras, then the magnitude of the transformation becomes evident. The *hatun runa* (the common man) of the pre-Hispanic Andean *ayllu* (extended family or community) has been transformed into a perfectly identifiable, individual *mestizo* living within a complex, dynamic network of social relations in an urban setting. From pre-Hispanic times in Peru, when a person was considered no other than an important factor in the means of production, a radical historical evolution has occurred. Today, the ancient teachings of Francisco de Victoria – who argued that an Indian was a full, total and complete human being – have become apparent. At what point in history did the idea of an individual person become established in a society that has evolved in the first instance from the Andean *ayllu* to the Indian communities of the colonial and republican eras, and subsequently from the latter to the spontaneous social organizations operating in the cities at the end of the twentieth century? How has the "rootedness" of man and woman to the land been broken, and how has the tripartite nexus individual-city-commerce arisen? The Peruvian society at the end of the twentieth century – spontaneous, urban, *mestizo* and diverse – contains the explanation for this remarkable evolution.

## A False Modernity

After independence from Spain, in the Peruvian nineteenth century the idea of modernity bust upon the scene, but by contrast with what had occurred three centuries ago, there was no real clash of values. Rather, there was a readjustment. A society of castes was confronted with a charter of liberal principles, a series of totalizing, universal truths and a unitary State, but no social revolution was forthcoming. The war of independence was not about the liberation of the oppressed Indians from the yoke of the white Europeans. The war was limited to the emancipation of the sons from their fathers, and it was obtained by taking advantage of the winds of change blowing at a time of Spanish weakness – winds of change fanned by the forces of liberalism and strengthened by the French

Revolution. However, in practical terms these changes in no way diminished or neutralized the abysmal social differences in existence. In the judgement of Jorge Basadre, "In spite of all the shouting and all the blood, 1821 was, in a certain way, a repetition of 1532. The revolution arising from independence overthrew the Spanish empire, but it did not rise up against the western, Hispanic "worlds" and the those they represented".

The castes and divisions remained in the fabric of society because the war of independence was led and fought by the Croeles, in whose interest it was to keep the war alive. Consequently, the ensuing process was a unique one, mixing the traditional and the modern as well as taking the sting out of the most dangerous liberal principles, adapting these to the number one priority: to maintain the existing social stratification. The process involved a curious eclecticism that took care to preserve the liberal formalities while adapting the law, religion and economy in such a way as to ensure that capitalism did not affect social or political matters. The result was that the already established systems of power remained untouched. This process of adaptation, baptized by a Peruvian, Fernando de Trazegnies, as one of "traditionalist modernization", was the logical result of an unintegrated society of dual character which had kept its colonial features.

Following the demographic fall in the sixteenth century, in the following centuries the tendency was towards a slow recovery in the seventeenth, and in the eighteenth towards stagnation. These trends were accompanied by clear-cut economic changes for the "republic of Spaniards" and a gradual confinement of the "republic of Indians" in the highlands. Independence did not subvert the history of Indians and Spaniards, each of whom remained in their own respective tracks, and Colonial Law adhered steadfastly to this process.

The statistics of the population of Spanish America in 1789, almost 300 years after the arrival of the first Spaniards and only twenty years before independence from Spain, indicate that in a population of more than fourteen million, the main feature was the continuing presence of large pockets of Indians. Indeed, more than half of the population was made up of pure blood Indians, while less than a fifth was white, and only about seven per cent was *mestizo.* In the circumstances, any attempt at political reform that did not take into account the Indian majority was doomed to a quick failure or to perpetuate a corrupt system.

## Legal Equality and Suppression of the Indian

With the arrival of formal independence between 1821 and 1824, the forces of liberation propounded a liberal philosophy before the legislators of the new republic of Peru. The ruling class embraced this philosophy as a way of distinguishing itself formally from the colonial past, but only as long as this did entail a questioning of its preeminence. Initially, the division proclaimed in the text of Colonial Law between Spaniards and Indians was abrogated. However, in reality the historic duality spawned by the Conquest not only persisted, but it became

more pronounced as a result of the marginalization of the Indian and the consolidation of a society based upon castes.

De Trazenies imagines a traveler who visited Peru on four occasions: during the years of independence in the third decade of the nineteenth century; in 1840, when the colonial society was transformed into a conservative society; in 1879, before the war with Chile; and finally in 1895, when Peru was in state of ruin. According to de Trazegnies, the traveler would be left each time with the same impression: " In fact, Peru continued being a profoundly divided nation. There was a ruling class of relative prosperity and enlightenment; to this was attached a small and incipient middle class; and facing them was a mass of Indians who remained culturally and economically subjugated, and who were left behind by the process of modernization". In spite of having gone through a period of successive revolts, economic highs and lows, and having in theory adopted modern legislation, Peru in the nineteenth century remained an invertebrate nation, composed of two worlds with dual roots. There were two clashing realities, one subjugated by the other, and it was taken for granted that it was impossible to integrate them because this would be an unnatural union. In spite of this, it was expected that there would have to be developed a modern shell or façade to fit in with the times, now dominated by exporting interests.

Given the circumstance, the Creole republic was impelled to impart sense and rationality to the juridical construction of a modern, centralizing, unitary State, in accordance with the French model. After many power struggles, legal reforms and counter-reforms, and much constitutional tinkering, the Creole republic determined to take a step that not even the Habsburg crown presumed to take in colonial times: it set out to eliminate the parallel Andean world by legally disowning it. Thus, the constitution of 1860, the longest-lived in the history of republican Peru, gave citizenship rights only to those who could read and write in Spanish, who were workshop foremen, owned property or paid some kind of tax. The result was a deliberate and practical exclusion of the majority Indian population, at the time in a particularly depressed and marginalized state, more often than not exploited in the *haciendas*, composed of poor, illiterate men whose land was bogged down in a legal quagmire, and who had been recently exempted from paying their Indian dues. Henceforth, until 1920, almost four hundred years after the arrival of Pizarro and the *conquistadores*, the Indian ceased to be a problem for the Law: he simply no longer existed. As an alien, someone who was different, the Indian did not belong to the modern State.

Having resolved the Indian problem, the republic then consolidated a deliberate "partial" system. Heir to the written tradition of Colonial Law, but deaf and blind to the sense of reality that it had embraced, republican law rested exclusively on a legal text that usually clashed with the reality of Peru.

## From the Countryside to the City

Migration does not constitute just a page in the history of Andean Latin American history. Rather, it represents a turning point dividing a society made up of castes from a *mestizo* society. Since migration, the principal scenarios of Latin American life – the cities – have changed both in profile and in essence, and the region's lordly, elitist and courtly spirit has been transformed into a multicoloured Andean cosmopolitanism.

## Modernization as a Historical Cause of Internal Migration

It was in the nineteenth century and at the beginning of the twentieth, when the Indian had reached his lowest level of social and moral degradation, that modernization emerged as an objective fact. A long time had passed by this stage since the sixteenth century, and one way or another, modernization managed to overcome the manipulative ways of the conservative sectors of society, often slipping in through chinks in the conservative armor. From his various vantage points, the Indian became aware of modernization, and particularly when his situation was desperate, he could not help but be involved in what was happening around him. He had many opportunities to perceive the presence of modernization in Peru: when he was forcibly drafted and sent to the city as a soldier, when he worked as a hired hand on the railway, on the Sunday excursions to the city allowed by the *hacendado* or his own community, or maybe when he fled from the *hacienda* to a town. In some cases the Indian may have been simply curious to see what it was all about, as when, centuries ago, that same curiosity led him to develop hydraulic systems and ecological controls. Most probably, upon returning home he would comment and describe in excited tones to other members of his indigenous community his novel experiences.

The type of modernization that reached the Andean world was a hybrid phenomenon that combined locomotives and vaccination with the abject situation of the Indian in the quasi-feudal *haciendas* and in mountainous wastelands. Since the economic practices in the many regions of Peru varied considerably, modernization reached the interior of the country unevenly and unequally. There had to be a transition from a dual concept (community-land) to a threefold concept (city-man-commerce), which is in fact the key to the idea of *mestizaje*. However, this transition did not occur simultaneously in the whole nation, it did not spread rapidly, and it did not mean that certain essential communal customs were discarded. Modernization was manifested most clearly in the central *sierra*, from where it spread to the rest of the country. On the other hand, in the southern *sierra* at the end of the nineteenth century, the social situation was not ready for modernization. In this region the *haciendas* were very well consolidated, with a fairly solid semi-feudal ethos regulating relations well into the twentieth

century. As far as the northern *sierra* was concerned, there were few *haciendas* and the communal lands were less rugged, but the process of modernization took longer than in the central region because the railway lines were never built. In fact, it was not until the 1930s that roads were built in the latter region.

Since the 1950s, Peru has had a combination of military or civilian dictatorships, on the one hand, and fragile, conservative, populist democracies on the other hand. Waves of internal migration have been the real corollary of the political demagoguery associated with these regimes and their abrupt about-turns in policies. The rural crisis has also accounted for this great migration shift in Peru, whose causes have had a profound modernizing dimension due to the use of new techniques and the availability of greater resources. The following is a list of the latter:

1. Vaccines. Massive campaigns to prevent childhood diseases considerably reduced the rate of infant mortality. Life expectancy increased from thirty-seven years in 1945 to sixty two in the 1980s. In spite of the trend towards urbanization in the nation, between 1940 and 1961 the countryside generated an extra one and half million inhabitants due to successful health campaigns. The communal lands could not withstand such an increase.

2. Investment in education. After accelerating in the 1940s, in the 1950s it was geared fundamentally towards the cities. In the countryside it was complemented by massive dual campaigns to teach Spanish and literacy. The policy of free compulsory education was extended to the bulk of the peasantry.

3. The modernization of Lima. This became a powerful incentive, providing better opportunities for study and for work, as well as providing improved living conditions in general.

4. The Indian's desire for progress. Contrary to the idealized vision of the Indian propounded by Indianist intellectuals, the Indian was seduced by progress and the desire to prosper educationally and economically. For the Indian, progress meant the city. By contrast, with the idealized Indian of the purists, the real Indian always maintained an open, pragmatic attitude.

5. The rise of the radio as a popular medium of communication. The countryside emerged as a means for the *haciendas* and the Indian communities to integrate with the city in a world characterised by a rugged geography. For the Indians, living in *haciendas* and remote communities, the radio became a sign of modernization. Indeed, until the 1970s the radio was the sole means of communication for some communities, contributing in a unique way to the sense of progress embraced by the Indians.

The shifts in migration produced visible results between 1940 and 1961. The coast's attraction for *sierra* dwellers led to a growth of the coastal population by 10.6% while the *sierra's* population fell by 12.3%.

In 1940, Peru had a total population of 6,2 million inhabitants, out of which 2,2 million lived in the cities and 4 million in the countryside – that is, about

65% lived in the countryside in a nation that was still eminently rural. By 1961, the national population had increased to almost 10 million, out of which 4,7 were urban dwellers and 5,2 rural dwellers, which meant that, by then, Peru was about 47% urban and about 53% rural. It was in the 1970s that the urban-rural index was definitely reversed. As early as 1972, the census showed that Peru was an urban nation by a considerable margin, with 59% (8 058 495) living in the city, and 41% (5 479 713) in the country side. Following a program of populist agrarian reforms in the 1970s, the statistics demonstrate the dramatic shift that had occurred. In 1981, out of a population of 17,005,923 Peruvians, 11,091,923 (65%) lived in the city, and 5,913,287 (35%) in the countryside. The last census held in the twentieth century in 1993 showed that 70% of Peruvians – 15,458,599 out of a total of 22,048,356 – were urban dwellers. In 2005, 73% of people were living in cities.

## Rural Violence as a Factor in Migration

Following the failure of agrarian reform, internal migration grew apace until the end of the twentieth century, radically and irreversibly transforming the profile of Peruvian society and the network of social relations. Such social changes were reflected in a general institutional weakness which, from the 1960s onward, proved fertile soil for the emergence of extremist, Marxist and Maoist groups in the State universities. Such groups were convinced that the convulsed rural areas provided an ideal climate for their call to violent revolution and the armed struggle.

In the 1980s, rural violence led to the definite expulsion of the Indian from the countryside. Violence erupted when Marxist groups took over the public universities, eventually gaining control of their curricula and administration. This control was notorious between 1970 and 1990, first in the Andean cities of Ayacucho and Cusco, and subsequently in Huancayo, where the universities had always played a significant role in community affairs. The campaign of violence was initiated by the Sendero Luminoso (Shining Path) Communist Party, based in Ayacucho University and composed of an elite academic faculty drawn from the decadent provincial bourgeoisie. Imbued with the theory and practice of Maoism, Sendero Luminoso declared a state of armed struggle against the Peruvian State. In spite of directing its violent rhetoric to the peasantry, Sendero Luminoso did not succeed in gaining a long-term support.

Why did Sendero Luminoso ultimately fail? Because it was in the grip of an ideological dogmatism that was not Indianist or milenarian or rooted in ancestral magic and religion. Rather, it was strictly Maoist. This one-eyed vision prevented Sendero Luminoso from noticing the blatantly obvious distinctions between the Peruvian peasantry, which sought progress within the framework of market mechanisms, and the Chinese peasantry at the time of the Maoist revolution.

Indians refused to join the campaign of violence promoted by Sendero Luminoso - for example, they baulked at surrendering their cattle or allowing their young people to be recruited. Initially, the Indian attitude caused suspicion and distrust that in due course would turn into open confrontation. War was declared between the peasantry and Sendero Luminoso - a twelve year war from which the former would emerge triumphant after forming well-organized, community-based patrols motivated by the principle of self-defence. The patrols' effectiveness was bolstered by assistance from the Peruvian army. The countryside was the scenario for this battle. The result was more than 30 000 dead, the majority peasants, a totally devastated countryside, and the displacement to the cities of more than 200 000 people. When the peasant patrols expelled the terrorists from the countryside, the Sendero Luminoso leaders moved temporarily to the cities, particularly to Lima. Thanks to police intelligence and surveillance, the terrorist leadership was discovered, pursued and ultimately incarcerated at the beginning of the 1990s.

## The Indian's Lack of Attachment to the Land

By the time the Indian became aware that there was a modern world beyond the boundaries of his land, the failure of agrarian reform came as a violent shock. Under these circumstances, communal solidarity and attachment to the land as elements of the agrarian struggle collapsed. Slowly but surely the Indian became convinced that the countryside meant backwardness and that the city signified progress. In the nineteenth century, the Indian came to the conclusion that traditional communal bonds did not provide an answer to the problem of poverty of the barren land in the *punas*, and then in the twentieth century he became captivated by the magic of progress. The land gradually lost its magic appeal to the majority of peasant communities - a feeling exacerbated by the agrarian reform programme. When General Velasco Alvarado imposed an agrarian reform in the 1970s, he could have had no idea that its failure, due to essential conceptual drawbacks, would spell the end of the collectivist ideal in the Peruvian countryside. The vast majority of Indians, formerly shut away in communities or in servitude in the *haciendas*, saw the concept of communal cohesion weaken and consequently abandoned the land. With the collectivist ideal now dead in the countryside, the once powerful elemental relation between man and land disappeared and its place was taken by a new idea of progress.

While the Indian remained rooted to the land, the duality of land/community prevailed. During this long period, it was impossible to speak of modernization in rural areas or to conceive the idea of individuality of the human being. The social and demographic explosion – but above all the internal migration to the cities – determined the moment when the threefold concept of man-city-commerce emerged triumphant. Modernization and commerce took up residence in the cities and the Indian fled the countryside.

Peru's modernization in the twentieth century transferred the skein of *mestizage* to an urban setting. One of two things happened: either the Indian was pushed to the city, a move that in some cases was a matter of life or death; or else he was motivated in various practical ways to embark upon an adventure of progress, an adventure that contained fewer risks than if he had stayed in the countryside. This scenario was a milestone in that it spelled the beginning of Peru's contemporary cultural *mestizaje* – thus establishing the context where the nation's new juridical facts would be drawn: the cities. It must, of course, be kept in mind that the process of modernization has been slow and unequal, and that it has stimulated migration in different ways in different regions, with migration being stronger in those where the bonds of servitude were weaker.

## The "Spontaneous Society" – What is it?

In spontaneous societies the organs of social representation are the urban communities that have been constituted within it. Such communities are known as "popular organizations". This concept encompasses the large group of autonomous social groups that have spawned spontaneously out of the new human structure of the *mestizo* society. The popular organizations have continued to develop unevenly, organising themselves as individual entities and responding to a combination of situations, stimuli, affinities, interests, vocations and desires. Their fundamental character is their autonomous operation. It is from this autonomy that their immense variety of forms, size and common interests derives. It is important not to think that they possess a uniform structure or that they operate in accordance with a fixed mechanism. Rather, their main sources of influence come from the predominant social forces and tendencies, the underlying common interests and the comparative social contexts arising from reality itself.

The popular organizations in Lima are involved in all quotidian individual and family activities, and they are of every type. Among the organizations involved in matters relating to the family, education and food there are many of the following: Mothers' Clubs, School Boards, Parish Centres, Sporting Clubs, "A Glass of Milk" Committees and Popular Canteens. Among those involved in matters relating to housing, these abound: Housing Associations, Housing Co-operatives Neighbourhood Organizations, Neighbourhood Boards, Committees of Communes, Settlers Organizations, Popular Housing Estates, and Marginal Human Settlements. There are also organizations relating to transport, such as Minibus Committees and Transport Co-operatives. Finally, security organizations are represented by the Human Settlements, Urban Patrols and the Self-Defence Committees, among others.

The best way to measure the impact that such organizations have had is by assessing the way they have influenced the economy, which they have boosted in an unprecedented fashion. In Mario Vargas Llosa's opinion:

They have created an informal economy outside an expensive legal system that discriminates against the poor. This informal economy has rendered possible an immense wealth that is impossible to quantify, a prodigious achievement if it is remembered that it is the result of men and women working without capital, without technology, without help of any kind, without any credit and always operating in a status of precarious legality. It is thanks to those ex-Indians, *mestizos,* blacks, half-blacks, half-Indians and Asians that we have for the first time in Peru a capitalism of the people and a free market.

At the end of the 1980s, such organizations and their economic power covered 48% of the Economically Active Population, made up 61.25% of man hours worked, and contributed 38.9% to the Gross National Product (GNP). In the last fifty years, moreover, the urban space of Lima has grown by more than 1200%, largely as a result of the great advance made by the *mestizo* spontaneous society. This growth has encompassed more than 6800 hectares of new land in former *haciendas* or new lots of land in areas adjacent to the city. In Lima alone, over 42% of homes are built in suburbs or settlements formed as a result of "invasions" – in other words, these homes belong to the spontaneous society. In the period between 1960 and 1984, the construction of these homes meant an investment in Lima totaling $US 8,319 million, which only takes into account the cost of the cement, bricks and iron used in the building process. At a national level, in 1996 the figure reached a sum greater than $US 20,000 million, whereas the government's investment in homes for the middle and lower classes was $US 173.6 million, which represented only 2.1% of the amount invested by the spontaneous society. In other words, the omnipresent State with all its ubiquitous legal tentacles had provided only one of every seventy dollars spent on housing.

Almost all the new 68 million square meters built in Lima have been the result of the initiative of popular organizations, which have established their human settlements in areas located in the city's four cardinal points. These four areas or zones are known as *conos* (cones), and they cover the thousands of settlements that are constantly being added to the capital city's outer belt, constituting a huge chain of successive human layers, with the oldest layers closest to the urban centre and the newest layers the furthest from it. The basic services of drinkable water, drainage, electricity, street lighting and garbage pick-up are obtained gradually and usually by the direct action of the settlements. According to the national census of 1993, that year Greater Lima had 6,345,856 inhabitants, with the *conos* making up 69.7% of this population (4,422,804 inhabitants). In comparison, Lima's central districts, where the high, middle and low classes traditionally live, only made up the remaining 30.3% of the population ( 1,923,052 inhabitants).

## The Difficulties of the Spontaneous Society

At the heart of the problems facing the popular organizations is their constant struggle with the Central State and the legal system. The reason for the spontaneous society's desperate search for solutions to concrete social problems is the State's failure to provide appropriate mechanisms to meet the social demands arising from the internal migrations. The Law, which is conceived as all-powerful, has been unable to develop ways for satisfying the needs of the new settlers in such fundamental areas as housing, work in small businesses or industries and the operation of urban transport. Consequently, the new settlers have had to invent novel mechanisms for finding their own access to basic services and for surviving outside the Law.

In fact, the legalistic State has not improved (even minimally) its responses to the spontaneous society's requirements, and in many cases has even reacted violently. Every day members of popular organizations face arrests by the State. For instance, De Soto's research indicates that street vendors have to pay illegal commissions of between 10–15% of their gross income to venal bureaucrats in order to keep their possessions and services. Moreover, contracts signed by popular organizations are not protected by the Judicial Power because of the latter's fear that it may come to be regarded as an agency of the parallel economy; as a consequence, there is a very high incidence of breaches of contractual obligations. Overall, it is not possible for the spontaneous society to reach the levels of an economy of scale, and it cannot even find access to such a fundamental modern medium as publicity. The popular organizations have no choice but to go underground permanently or to break up their operations and disperse their workforce, thereby increasing their already high overheads and having to find finance outside the banking system , which shuns them. In sum, concludes De Soto, the lack of a legal apparatus for reconciling the State and society, and for guaranteeing the benefits of the spontaneous society's entrepreneurial efficiency , has only served to turn its parallel economy into a precarious and unenviable experience.

## The Spontaneous Society's Complexity

Nevertheless, the economic indicators regarding Lima's popular organisations should not lead one to the immediate conclusion that they are groups that have come together and are united exclusively on the basis of economic and market interests. The fact is that the issue is much more complex, involving cultural and historical factors. The popular organizations posses an intense and varied life motivated by a series of unifying factors much richer than the merely commercial such as common interests, affinities, evictions, regional ties, dreams, memories, vocations and abilities. To classify them in terms of dwellings, commerce and transport is only intended to underline their socio-economic presence and

dimension. There is no intention to underrate their vast complexity. There are multiple causes and reasons for the existence of the groups that have arisen in the new urban scenario.

On the other hand, it is important not to perceive the spontaneous urban, *mestizo* society as a *fait accompli*. It has only recently emerged, and its struggle against enemy forces is a daily experience, so it is unrealistic to expect from it definite and mature social results. Moreover, we are talking about an unparalleled experience in Peru – an experience whose main actors are the subordinate Andean people who have come from the most remote rural areas. It is a society made up of new immigrants, and as such it is sadly lacking in respect for the past of those who formerly occupied the territory now inhabited by the newcomers. The new immigrants are not respectful of the traditions, history or myths of the Creole republic; they pay no heed to town planning or architecture, and they do not seem to be particularly interested in the preservation of any visible aspect of any culture but their own. From another perspective – that of legal society – the spontaneous urban society is reproached for its lack of order and its lack of refinement; and it is accused of fomenting national chaos and trampling upon the norms necessary for harmonious coexistence.

However, we are dealing with a young society in whose bosom reside both virtues and defects – a society that can be vigorous, self-sufficient, flexible or clumsy. It is a spontaneous creation – the only spontaneous organism on a national scale ever born in Peru, and therefore we must give it some time. It needs time to mature, to establish its customs, to refine its mechanisms and ties of subsidiarity, to reject self-destructive traditions and to place limits upon itself. In short, it needs time as well as experience to improve its natural sense of justice and of the common good.

The spontaneous society is seeking to construct – from the bottom to the top and without being aware of it – a new *social institutionality* and a full order of subsidiarity. As a consequence, the customs that it is enacting are in full process of consolidation even as they come from many and varied sources.

The spontaneous society's popular organizations should be viewed as young, intermediate organisms composed of recently arrived immigrants whose roots are in the new space they occupy, that is, the city. We are dealing with the descendants of one of the most developed rural societies and civilisations in the southern hemisphere. They have brought with them to their new land not only their hopes and dreams, but a cultural baggage of Andean values and traditions.

This is a society in full process of development and growth wherein the relations of subsidiarity inherent in intermediate spontaneous bodies can be more or less perceived as its goals are gradually achieved. Until now, the popular organizations have sprung up as autonomous groups moving and developing in a great sea of ties and relationships. Their relations with other autonomous

groups or spheres are marked by invisible bonds yet to be perfected. The groups look after their own interests and the deficiencies of the legal system are so vast that they arrogate to themselves exaggerated rights and decision-making faculties. Such deficiencies become evident in the apparent chaos of society. Consequently, their struggle against the system and their precarious status as migrants continue.

Nevertheless, there are signs that gradually a system of subsidiarity is taking shape in the bosom of the popular organizations. In Lima the human settlements –even if only minimally – have already come together as units in the aforementioned *conos*, and they do feel partly represented by the municipal authorities that they elect in the urban districts. This process must continue until the popular organizations – which form the basis of the spontaneous urban society - are endowed with a social rationale; however, its collective, intergroup functioning must also share this rationale. The organisational antecedents of Peru as a nation lead us to believe that this will come about.

Finally, we know that if the popular organizations have enjoyed an impressive social progress, this has not been because the State has allowed them to express themselves freely. The social, cultural and economic presence aquired by the organizations is the product of a reality based on an absolute autonomy and on human conditions created by the organizations themselves, which have had to confront all the problems arising and to adopt the relevant solutions without any interference. The perceived result is the product of their autonomy. Lima's popular organizations have been able to begin the construction of a civil society capable of proposing real alternatives to an exhausted legal system. This has been done from a homogeneous social base which has been reached autonomously – a challenge that the Sate was never able to meet.

## The Persistence of the Bonds of Solidarity

It has been postulated above that the former Indian has become an individual person, and it is from this basis that he has recycled the notion of communal personality and used it strongly and intensely. He has then sallied forth, utilising bonds of solidarity with respect to matters of security, land titles and food, all of which have been put at the disposal of the individual person. The questions now posed are the following: has the communal tradition of the Andean world contributed to this society's capacity to form popular organizations? And is there any room in the spontaneous society's future for communal bonds?

There is a series of factors that must be considered in answering these questions. As De Soto indicates, we are dealing with an economy in which communal organisation has been placed at the service of private initiative and advantage. The individual features of the market place prevail over the collective ones. The bonds of solidarity are, of course, only to be expected in difficult circumstances, when the daily struggle is not only against other people, but against

the legalistic system and its machinery – though the bonds weaken when times are not so tense. Such solidarity is not unique to the Andean society, and can be observed in other individualistic societies when circumstances demand it. The idea of individual progress, wellbeing and prosperity is extremely attractive among the *mestizo* society. Nevertheless, in spite of all these factors, it can be argued that the bonds of solidarity have their roots in the old communal traditions. This argument is based firstly on the fact that the spontaneous *mestizo* society has developed rapidly, and has been able to present an alternative socio-economic reality that has proven twice as effective as the legalistic system. Such speed and effectiveness suggest that we are dealing with an organization that has been in existence and operated often in the past. Secondly, the bonds of solidarity of the spontaneous society have not disappeared when a crisis has passed. Rather, they continue in those areas that matter most, such as important issues concerning land titles, to the claim of which all members of the organization contribute. Thirdly, one of the preferred criteria for coming together as a group has always been, and continues to be, the question of origin –and this indicates that the ties of kinship inherent in the Andean world continue to matter. Finally, the great majority of successful immigrants have not abandoned the human settlement which they first joined as invaders and in which they became established. They remain in the settlement, improving their homes, spending money to make them more attractive, sponsoring small improvements carried out in their area and representing the group before the authorities. Most revealingly, they have not moved to the richer, traditional areas of the city, as they doubtlessly would have done had they been motivated solely by a spiralling urge for individual advancement.

It is true that the bonds of solidarity have grown weaker in time. When the most critical period has passed, the bonds of solidarity have become evident in less crucial matters. The mechanisms of the marketplace have gradually absorbed the goods and services of the spontaneous society's commerce and industries, including its properties, which become subject to the law of supply and demand. However, while the bonds grow weaker, they do not disappear, as they remain embedded in well-defined spaces of the communal soul, as in the case of artistic expression. What is impossible to know is whether those last communal expressions will in due course disappear, whether this collective potential will remain dormant just as it did when the spontaneous society was not yet in existence, or whether it will always remain awake and alert. If the latter, then, as José María Arguedas declared, this society will continue in the future to be the same as and yet distinct from everything else - and it will remain, through all the vagaries and changes that occur, a different entity from Western society.

## Conclusion: Ideas for an Open Law

The idea of the Law that has arisen following the crisis of legalistic positivism

has totally overwhelmed the modern ideal that sought to contain it. The Law of the spontaneous society stands out as one that has returned to the natural sources of social and juridical life. It is a pragmatic Law situated within an unpredictable, fundamentally decentralised framework of interdependence and globalization.

However, pragmatism does not equate to an absence of objectives or philosophies; interdependence does not mean a lack of traditions or roots; and decentralisation does not signify disorder. In such an environment, the State has ceased to be the sole producer of norms, and there are increasingly fewer and less qualified centres where juridical decisions are taken.

The fact is that *mestizo*, urban society is an open one. It is made up of people of flesh and blood who have come together on the basis of concrete affinities. Very often these people are spread throughout the sand dunes of gigantic cities like Lima; their behaviour is unpredictable, and their numbers uncertain. Such a society needs an open Law. This is a Law for which the flexibility of nature and the permanent flux of reality are necessary conditions – and not obstacles for the application of laws.

Such an open, realistic Law should have an everyday relevance within the framework of what is designated as a "constructive relationship" between State and society. This is possible if the focus of analysis resides in juridical custom. What should not be forgotten is that behind the discussion about the decadence of the State and a juridical system, and about the State's incompatibility with the new social realities, lies a very sharp and clear intent – to attack the very heart of a perennial juridical problem. It is this problem, among others, that accounts for the failure of modern Law – and that of the distance separating justice from the Law. These two concepts suffer from a veritable tyranny of distance, and the crisis has reached its greatest dimension. It is under the legalistic model. It is indeed "the only crisis that should not be tolerated and that should not become permanent".[119]

## Diversity Versus Positivism

Respect for the customs of societies is inversely proportional to the legalistic vision. Throughout history, the greater the recognition accorded to customs, the less powerful has been the legalistic State, and vice versa. Legalism, which leaves everything to the will of the legislator, has not been conceived for changing circumstances. Moreover, legalism is weakened by the unpredictable, spontaneous nature of custom, and its mission's starting point is an impossible one: to perpetuate the status quo in line with the legislator's wishes. Variety, which is the domain of societies with a customary tradition, throws out of kelter the pretensions to centralised control and to complete predictability, especially when dealing with the positivist-legalistic construct. The environment required by legalism occurs in a way that is totally opposite to that derived from the natural

order - it seeks to be monochrome in a polichromatic society, and it seeks to dominate reality in order to plan its progress, when in fact society is so complex as to be ungraspable. However, legalism has not only appeared as a theory in history. Legalism has dominated a great part of history on the basis of an intricate combination of abstract philosophies and political interests, and it has done this outside the framework of the natural varieties of societies.

Some societies are more diverse than others, depending upon the quantity and quality of their cultural sources. It is this degree of difference that has allowed the legalistic ideal to take shape in social realities. Social homogeneity has not proved a problem in such cases. However, in societies with a strong customary tradition, such as the Andean society, legalism has hardly survived because of a permanent state of confrontation with the people, and also because of a loose, all-embracing juridical policy that has never been able to win a total victory.

The realistic interpretation essayed in this study from pre-Hispanic Andean collectivism to the spontaneous society of the second half of the twentieth century has led to the conclusion that whereas respect for customs and variety has been the norm peace and prosperity have not appeared. In other words, customs prevailed and achieved the greatest levels of social harmony during those periods when legalism did not exist, when it had not yet reached and become established in the New World, or when, after many decades of being imposed, it had become totally exhausted.

Custom succumbed when legalism experienced its apogee during the era of legalistic positivism in the nineteenth and twentieth centuries. After independence and the advent of the "Creole Republic", nominalism adopted the positivistic form of Rousseau's model, which, after becoming mixed up with postcolonial society, devised the best possible mechanism for the centralist conception of positivism. In 1860, the Creole Republic legally abolished a law that excluded anyone who was "different". This occurred when the constitution of that year acknowledged only those as citizens who knew how to read and write, who were heads of workshops, who owned a property, or who paid some kind of tax. Between 1860 and 1920, custom disappeared from the legal model, and in practice it became contrary to existing law. Positivism and the *modern* State sought to eliminate custom. The ethic of progress imposed by those sectors was linear and deterministic, and there was no room for anyone who was "different". Moreover, cultural contributions that did not emanate from scientific sources did not fit into this scheme of things.

However, such progressivism was doomed to fail. A demographic revolution occurred in the twentieth century. This new phenomenon infiltrated the cracks left everywhere by the State, and these circumstances gradually gave shape to the spontaneous society. In the end, the latter escaped the clutches of the State and in fact eventually re-established the customary order of things. In the worst moments of the crisis of the 1980s custom operated as the only

bulwark against social chaos.

From the above set of circumstances may be gleaned an essential, three-pronged structure. Firstly, the Peruvian society conceals, or perhaps is and has always been, an amalgam of peoples who have expressed themselves fundamentally through their customs. Secondly, this customary nature renders it incompatible with positivistic legalism, for the simple reason that the latter is contrary to variety. Thirdly, very little or nothing can be understood about this natural evolution unless one operates the natural machinery available and pulls the levers appropriate to custom - and such levers offer unending possibilities.

For the following reasons it may be affirmed that the spontaneous *mestizo* society is customary in a twofold way. Firstly, diversity provides the environment for custom, which cannot exist without groups that differ among themselves. Secondly, the Peruvian society possesses a unique variety of cultural sources. Peru, therefore is a bubbling spring of ideas with an infinite number of initiatives that animate its social cells, and it is these cells that magnify its complexity. In Peruvian society these cells or groups, united spatially or by category, are continually spreading out everywhere: throughout the country, families, human settlements, "cones", localities, regions. Sometimes they exist under interest groups that are diverse in nature, such as trade unions, professional associations, committees, clubs, employers' groups, leagues to name a few. Each one springs spontaneously from the free exercise of civil liberty by its members, and they are motivated by certain well-determined and non-transferable conditions.

The opposition between society and the legalistic State in Peru is about the confrontation between two antithetical forces. On the one hand, the State has been built upon abstract principles, and it seeks to impose solutions from the top to the bottom. On the other hand, society postulates development from the bottom to the top. It is all about a confrontation that will not end while the nominalistic spirit impregnating the legalistic state remains alive.

In the last decades of the twentieth century, the way that this dispute evolved favoured the spontaneous society. The latter has attained an unprecedented social predominance. It has been able to impose laws on the basis that it reflects customs, and it has widened the sphere of influence of the spontaneous forces at work. This society does not suffer from the mania to impose its will, it is self-sufficient, and its goals and ambitions are not characterised by the lineal determinism of positivism. Rather, the spontaneous society is of an open disposition, as befits its nature. Nevertheless, this has not been enough: the centralising spirit of the State persists still.

It can only be concluded that the conceptual integration between society and state is impossible. The clash is between two inimical conceptions of the Law: one *open* and the other *closed*. The objective of a constructive relationship between the two should be the opening up of the legalistic system. This can only be achieved by the State learning to show respect for the autonomy of the popu-

lar organisations of the autonomous society. In this way, the groups would be able to act rationally and freely when it comes to establishing juridical acts, and the spontaneous society would be able to resolve by itself its own problems of development and coexistence.

## Customs as Guidance

The first question is related directly to the nature of the groups generating customary law. Groups come together under two criteria: territorial and self-interest. In the spontaneous society groups distributed territorially – that is, by local, regional and national spheres – do so in accordance with the way in which people have come together in the human settlements, the latter in the cones of the cities, the cones in the metropolitan districts, the citizens in the regions and the regions in the nation. Spatial distribution shapes the customs of the settlements, the cones and the cities in a quarter of the nation. Such groups possess a level of institutionality and organization derived from their assemblies, government councils, local or regional governments and national institutions.

However, the existence of groups and customs is not limited to territorial distribution. At the next level are found the groups united on the basis of self-interest. These have come together spontaneously in response to diverse factors – commercial affinities, regional identification, security, subsistence, profession, trade, tastes and so forth. Such groups include, for instance, professional schools, leagues, trade unions, federations, clubs, committees and employers' organisations.

These groups are actors in the spontaneous society in as much as they have a minimal level of organization and institutionality. They possess official or adventitious organs which give them a social, autonomous character through which they act in a clearly identifiable way and speak with their own voice to express their opinions. Following the basic model for the generation of customs, these groups carry out juridical acts which create customary norms applicable to the juridical relations within the corresponding genre. These are customs limited by category and not by territory, and they are expected to operate according to internal norms and mechanisms.

Accordingly, there are local, regional and national customs, and customs under the rubric of "category". It is such customs that must guide the intellectual work of the lawmaker. How can this end be achieved? This task must respond to a principle of rationality establishing an order of customs in accordance with quantitative and qualitative criteria. Surely, it is not rational for groups of local influence to raise their customs to the category of national laws of their own accord. To do so would run the risk of bringing about clashes with groups that have generated different customs. Neither is it rational for regional customs to turn into laws of different categories. Rationality means involving the lawmaker whose work is essentially intellectual. In other words, the State must be involved

in the process by arriving at a systematic knowledge of customs. This can be done by providing more and better instruments to orient the legislative tasks towards customs, which should be the permanent reference points for lawmaking.

The quantitative dimension of the principle of rationality means that all customs - local, regional, national and those defined by category - must be compiled by society. Because social reality is constantly changing and flexible, and each case is different, the compilation of customs will per force be limited and imperfect. Nevertheless, compilation is a necessary instrument, which together with laws and the nature of things, will lead to greater certainty and justice. The qualitative dimension will lead to the perfection of the compilation process by focusing on the evaluation and appreciation of customs. The process must be flexible enough to allow for the permanent incorporation of new customs and the elimination of old ones. It should be possible to incorporate new customs simultaneously with the analysis of particular cases, and not just as a result of the everyday practical fieldwork.

However, the key to compilation work is the establishment of the codes necessary for adjudicating when one is confronted by a particular custom and when one is not, and for identifying the nature of the custom concerned. It is essential for the lawmaker to be well-versed in the mechanisms necessary for this process. A data base of customs, which should be as complete as possible, will be a powerful tool that will enable the lawmakers to acquire knowledge of the reality surrounding them. Through this rational process, the lawmaker will be able to order customs on the basis of their nature, so that local customs will illuminate local laws, regional customs will do the same for regional laws, general customs will do likewise for national laws, and customs determined by category will inspire special laws. Everything else will be up to the lawmakers' intellectual capacity. Lawmakers will evaluate whether a particular custom covers all actual and future expectations, they will add whatever is necessary to improve the custom in question, they will eliminate any defects. At all stages, the lawmakers will be guided by a fundamental objective: to pursue the common good in the present and in the future.

## Open Law

Only the participation of jurists can ensure the adequate quantitative and qualitative mechanisms for evaluating customs, their compilation, quality of sources and applicable jurisdictions. Only jurists can formulate, polish and execute these mechanisms. The reassessment of the role of the jurist is a fundamental part of the juridical agenda with respect to open law. Jurists must leave their offices and learn to manage the concepts of the spontaneous society. They must appreciate the need to open and "ventilate" the legal system, they must believe in the law as concrete justice and, above all, they must believe in the law as something that is found after an enriching and permanent search - a search that moves between

the mind, principles and things. It is about a law determined prudentially, distilled from the nature of things with the help of norms.

Ultimately, it is not about a law elaborated, adjudicated or applied vertically. In summary, it is about a law that equates with justice. Such law cannot be outside justice. It is consubstantial with justice. And the search for such a law is a task in which all parties - social and juridical - are involved and which takes into account all factors and norms. It is a total enterprise.

Accordingly, the legal universe is a permanent quest for concrete justice. The jurists of the spontaneous society are obliged to utilise whatever inventiveness may spring from the nature of things - and the need for such inventiveness means that in a highly customary society they must always appeal to society itself and to social agents. A society that wishes to go on developing its strengths and resources, must continue to use the arms of liberty and rationality to prevent itself from lapsing back into a closed system of law.

There is a long way to go before a mature system of subsidiarity is consolidated. When this stage is reached, the State – the "Society of societies" – will demand of the spontaneous *mestizo* societies of the Andean nations, including Peru, that they undertake the imaginative "opening" advocated in this article. However, with an undiminished spirit and unflagging imagination this goal is possible. When this happens, then the law in juridical matters will be seen as a fragment of an ideal law attainable through the principles of the Natural Order. Civil liberty will then be the golden rule for man, woman and all social groups. Humanity will indeed be privileged.

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# 12

# International Migration, Remittances and Development: A Case Study of the Senegalese Diaspora in France

*Arzu Culhaci*

## Abstract

*International remittances and their developmental impact on Sub-Saharan Africa do not receive adequate attention, as only a negligible part of the total recorded remittances is believed to flow to the region. Research however raises doubt over the accuracy of the figures and uncovers inefficiency in the money transfer market. The dominance of Money Transfer Operators goes against the grains of economic globalistaion, for they undermine the logic of competition. Hence, transfer costs are high – compelling migrants to use other informal means of sending money. The accurate amount of remittance flows is consequently misrepresented. Besides, preoccupation with economic development implies that the focus is usually on economic growth, and thus the vital issue of human development is overlooked. Migrant Home-Town Associations, through their social projects, expose the shortcoming of such macro-level approach to development. Drawing on the experiences of the Senegalese Diaspora, this paper assesses the development potential of remittances and the obstacles migrants face towards improving the lives of the needy in Sub-Saharan Africa.*

## Introduction

When it comes to globalisation debate[2], it is usually argued that the free movement of capital and goods is essential for human development and economic growth. Free movement of people, however, has since been subject to restrictive immigration policies. Despite this, the flow of people moving around the world has increased tremendously with around 200 million people migrating every year (Orozco, 2003). Thus, it is not surprising that scholars such as Skeldon (1997) describe the century we are living in as the 'Age of Migration'.

With an ever-increasing number of international migrants[3], the money they send home, *remittances*[4], has also increased dramatically over the time. The World Bank (WB) estimates that since 2000 remittances have risen by around 16% a year (World Bank, 2006). Although remittances are not a recent development, there is a growing recognition that they play an essential role in the development

process, as they have become one of the most important sources of incomes for some countries. According to official figures released by the International Monetary Fund (IMF), remittances reached about US $ 221 billion in 2006, that is twice as much as the official aid to developing countries (Sanjeev Gupta et al., 2009).

However, not every region seems to be receiving adequate attention regarding the developmental impact of international remittances. Especially Sub-Saharan Africa (SSA), one of the poorest regions in the world, has been neglected in such assessment because it receives only a small part of the total *recorded* remittances flow. Careful examination of *unrecorded* remittances to this region, however, demonstrates that the actual amount of money sent back home is estimated to be considerably high. Why this has gone unnoticed is because many African migrants send their money via the informal sector due to extremely high transfer costs and the lack of available financial services for money transfers in the region. Consequently, international remittances are not accurately recorded and therefore provide a distorted picture of its real impact.

Knowledge of the exact amount remitted to Africa is crucial for its development prospect. This could enable governments to design programmes that will only maximise the benefits of this capital inflow. In many Latin American countries, for instance, governments have initiated policies aimed at motivating emigrants to help develop their home countries. Mexico's "3x1 Programme" – through which 3 dollars is invested (by the government) in development projects for every dollar that emigrants pay in form of remittances to 'Migrant Clubs' in the United States – is an illustrative case.

Similarly, critical questions ought to be raised as to whether such initiatives can be introduced in SSA, given that there are huge differences within the region. In this regard, there is compelling reason to use Senegal as a snapshot – considering that it is one of the largest recipients of international remittances in the region. Moreover, it has a comparatively large emigrant community. And for the purpose of this study, the Home-Town Associations (HTAs), formed by the Senegalese Diaspora, make it a perfect case study as they are actively carrying out development programmes by constructing schools, hospitals and many other facilities in their village or town of origin.

The significance of the HTAs can be further appreciated from the way these well-structured organisations have almost overtaken some authorities in the delivery of services, which, especially after the implementation of the Structural Adjustment Programs (SAPs), are increasingly unable to provide the population with basic needs. However, the function of these associations stretches beyond developmental projects. By providing support to their members, these 'transnational networks' have also enabled many migrants to cope with challenging situations in host countries. The usefulness of HTAs equally follows from their expanded role to respond to barriers of the free flow of capital to developing

countries. But mainstream Money Transfer Operators (MTOs) constrain their effort by demanding high transfer commissions for any remittance. The upshot is that the money sent through HTAs remains unrecorded.

## The Migration – Globalisation Debate

Although there is an inextricable link between migration and globalisation, international migration is arguably one of the least studied aspects within globalisation debates. Therfore, engaging with the notion of migration implies engaging with globalisation debate itself, as the following makes clear:

> *Immigrant communities not only encourage further immigration but they also promote further globalisation of the world in the sense that they encourage economic growth, social and cultural networks between different countries. (...) Migration is both a response and a stimulus to the globalisation process* (George and Wilding, 2002, p. 140)

While the flow of goods and capitals has gained significant attention, especially in the post 1980s, it is intriguing that migration has remained relatively unexplored by researchers. With an increasing number of people leaving their countries of origin, it has become clear that migration has a crucial impact on sending as well as host countries. With approximately 175 million people currently residing outside their country of origin, international migration is 'at its historical zenith' (Messina and Lahva, 2006) and has become a 'global phenomenon' (Castles and Miller, 1998; Hirst and Grahame, 1999). Therefore, it is important to place migration within the globalisation debate first.

It would however be misleading to perceive the ongoing global transformation as an entirely new phenomenon – if one recalls that a natural human disposition is to move from place to place in search of resources. According to Castles and Miller (1998), international migration has increased since 1945, and has particularly grown in significance since the mid 1980s. Then, it could *even* be argued that the global changes are better understood, to a large extent, as the movement of people.

It is paradoxical that the virtues of globalisation have been extolled, that is, the movement of services, goods and capital would result in equitable distribution of global resources and so the movement of these elements should be unfettered. After all, 'migrations are not an isolated phenomenon' as the movement of international capital almost always gives rise to the movement of people and so accelerates the process of global integration (Castles and Miller 1998). But in despite of such compelling argument, some countries have not often responded in ways that could lead to the realization of this normative endeavour. Rather, much of the approach towards migration has been of negative nature, especially after the 9/11 events, when some countries started to implement further restrictive immigration policies. In light of this, the United Nation's International Migration Report 2002 is instructive for stating that: 'the number of policies to

lower immigration rose from 6 per cent in 1976 to 40 percent in 2001' (Wickramasekara, 2008).

To the issue of international security – owing to cross-border terrorism – must be added the compounding effect of the recent global economic crisis on the free movement of people. For even long before the crisis, tough immigration rules had been in place. In this, reference to Griswold's (2003) observation years earlier is noteworthy: today's tight immigration controls do not only limit an essential human freedom and put an obstacle to development in poor countries, but they also 'expose a central inconsistency in neoliberal globalisation because, if capital, money and information should all flow freely across the globe, then why not people?' With respect to the 2009 global financial crisis, it is implausible not to expect some national policies to further curb the movement of migrant workers and people. Jacoby Tamar's article in Foreign Affairs, *Immigration Nation*, echoes the foregoing view: In America voters were not preoccupied with immigration, but this has changed and '[t]oday it is at or near top of voters' list of problems facing the nation – one that, in many people's minds, outweighs every other threat save international terrorism.' More specifically, evidence suggests that the inflow of immigration to the USA has reduced substantially since the 2009 economic crisis began (Migration Policy Institute, 2009).

This current development is a radical shift from what used to be the case – judging from the first wave of migration. For instance, the late nineteenth to the early twentieth century (the 'first phase of globalisation') was characterised by tremendous international population movements.

> *More than 60 million Europeans emigrated in the century before the First World War, most of them destined for North America, but millions more headed for Argentina, Australia and New Zealand. (...) With a few notable exceptions, the flow was virtually unchecked by government restrictions* (Griswold, 2003, p. 20).

Furthermore, it is ironical that in today's "second wave of globalisation" in which the world is more interconnected than ever as flows of capital and goods move freely among countries, strict immigration policies put barriers to the movement of people (Hirst and Grahame, 1999). The contradictory relationship between globalisation and migration can be seen in the way it evolved over the years.

It is somewhat disconcerting that this historical trend is being overlooked in the overall debate. Moreover, persuasive arguments favourable to migration are being ignored, too. Despite the argument that a world without borders would be beneficial for human development and economic growth, only few scholars (see, for instance, Moses 2006) seem to be willing to consider the abolition of national border controls and to the free movement of people. While such suggestions can be deemed unrealistic, it is good to have a more balanced, rigorous and objective approach. Because the way international migration is, or is not, incorporated into the globalisation process raises questions of 'ethics, political

pragmatism and economic efficiency' (Tapinos and Delaunay, 2000).

Moreover, the fact that migration has continued at a relatively high rate, amid restrictive immigration policies, clearly demonstrates that the control of the movement of people is not in tandem with the current liberalisation of other flows. What it exposes is the very selective nature of what ought to be liberalized. As Haas (2007) contends, 'restrictive immigration policies fail since they ignore and cannot address the root causes of migration.' Inquiry into the causes of migration would not only reveal an interesting pattern in the migration process, but it would show how development and migration are both interlinked.

## The Migration - Development Debate

For a long time, migration and development have been treated as two separate entities in the political arena. (Van Hear, 2003). However, social and cultural changes in societies have led to the awareness that there is a growing link between them. The current relevant literature also illustrates that the shifts in views concerning migration and development have proceeded along with changing perspectives in general development theory. Moreover, the relationship between the two has received increased attention among few scholars, not least because of the tremendous increase in remittances to the developing world. After all, '[m]igration and development are functionally and reciprocally connected processes' (Haas, 2007).

Over the past few centuries, social theorists have endlessly grappled with the concept of development. This observation follows from the failure to come to a common definition of what development actually means. In this regard, eighteenth century classical economists defined it in terms of *economic development* (Kiely, 1998). In their view, a country with a higher volume and value of production would achieve an adequte level of economic growth and development. The theoritical underpinning of this reasoning stems from the ′trickle down' principle which argues that once a country had achieved economic growth the whole population would benefit as the growth would trickle down to each individual. Here, the Gross Domestic Product (GDP) becomes the index of a country's development.

Another school of thought however opposes the preceding view. Kitching (1982), for instance, states that the nineteenths century populist thinkers saw development in relation to progress. For them, the main concern was unequal distribution of income evident in the beginning of industrialisation. Kambhampti's (2006) analysis (like Kitching's) seems to have been born out in many countries where high GDP growth rates have not translated into improved living conditions for the poor. Today, it has become clear that social factors such as health-care, education and life-expectancy have to be taken into account in any meaningful discussion on developement.

However, economic development arguements seem to stand out as the most

efficient way for allocating ressources. One can draw such inference from Todora's (1969) statement: early economic approaches saw migration as a positive factor contributing to development. What is fundamental in this assessment is that people emigrate to countries which offer them the opportunity to earn higher wages. Consequently, as equally Todora notes, migration leads to balanced distribution of labour force and wages. Because in the host country the inflow of cheap work force benefits production while in the sending country the outflow of a surplus of labour reduces unemployment.

While for decades the debates around migration focused mainly on the impact on developed countries, the attention has now shifted towards the developing world. The last two decades have witnessed an increased demand for high-skilled labour in the global North and so raised concern over brain drain,[5] an issue consistent with Cairncross's (2002) assessment which argues that brain drain of highly skilled professionals constitutes a tremendous loss of human skill in the underdeveloped world. According to a study conducted by the British Department of International Development/International Labour Organisation, many developing countries, especially in SSA, are currently facing an approximately 30 percent loss of their highly skilled labour force. This can be understood within the context of the historical structural approach, which argues that brain drain serves as another means for exploiting the periphery in a capitalist dominated world order. It is reminiscent of the Core-Periphery theory that articulates the displeasure over the exploitation of the periphery (the underdeveloped counties) by the Core countries (the western countries) (see Wolfe, 1997). In a similar vein, Massay (1998) notes: 'migration undermines the prospects for local economic development and yields a state of stagnation and dependency'.

Although brain drain has an untoward effect on developing countries, other scholars believe that benefits still accrue from migration. In this connection, Cairncross (2002) refers to *brain gain* (migrants who circulate between different countries can exchange skills and therefore lead to a gain of knowledge), the role of return migrants (who bring back skills and a certain know-how) and the role of Diasporas as development agents in their home countries. Moreover, the positive view of migration and development is particularly related to the impact of remittances, which ought to be pushed to the fore due to the tremendous increase in the money that migrants send back home to their relatives and families. That the developmental impact of remittances has been described as the 'New Development Mantra' by Kapur (2003) is no surprise. However, the debates on remittances are not that straightforward. Although several scholars such as Papademetriou and Martin (1991) have argued that remittances clearly contribute to development, for they enable developing countries to receive a large amount of foreign exchange and to increase the welfare of families, others saw in remittances a negative factor contributing to greater dependency and inequality. The developmental impact of remittances will be analysed in depth below.

Nevertheless, it is impossible to read migration as a 'zero-sum game'; both receiving as well as sending countries have costs and benefits from migration. Hence, links between migration and development have not been sufficiently analysed by researchers and further exploration would be required in order to find out in which way both concepts are interrelated with each other.

## Remittances – 'New Development Mantra'?

Unlike Foreign Direct Investment (FDI) and official aid, which are more responsive to constant fluctuations, remittances have evolved as stable revenue in recent decades and today represent an important source of income for many developing countries. Scholars have tried to answer the question as to whether the money sent back home can resolve the problem of poverty in the global South. Therefore, in an attempt to illuminate this discussion, the next chapter will try to place remittances within the globalisation-migration-development debate. It first gives a short overview of current global and regional trends and illustrates how money transfer mechanisms affect the amount of money that migrants send to their home countries. In order to assess the extent to which remittances represent a new 'development mantra', it is useful to review existing theories; consequently, the impact of remittances will be first considered within the framework of the macro (national) and micro (household) level, and then, more specifically, the *meso* (community) level.

The rise in migration flows, especially over the last two decades, has been followed by a steady growth of remittances. As was stated earlier, migrants have remitted a substantial amount of money, which plays an essential role in the development process and therefore forms one of the most important sources of income for some countries. For example, India, China, Mexico and the Philippines constitute the four countries with the highest level of remittance income, while the main source countries are the United States, Saudi Arabia, Germany, and Switzerland. However, not every region seems to benefit from remittances in the same way. According to the IMF (2003), Latin America and the Caribbean receive the largest part of remittance flows with an average increase rate of 12.4 percent annually. While this rate makes up 11 percent in East Asia and the Pacific, SSA seems to be far behind with an annul growth rate of only 5.2 percent. Remittances in 2001 represented only 0.7 percent of the GDP, 17 per cent of FDI and up to 19 per cent of aid flows in the region.

## Remittance Channels and Financial Infrastructure

As a result, a valid question is why does only a comparatively small amount of remittances go to Sub-Saharan Africa? Solimano (2004) alerts one to a crucial factor useful in this investigation, in that the international market of money transfer

services is characterised by inefficiency, which is down to extremely high remittance fees and overvalued exchange rates. Such obstacles are exacerbated when only few MTOs monopolise the global money transfer market and are therefore able to keep the costs artificially high while, at the same time, commercial banks only have a low share of the remittance market. Dominance of the MTOs goes against the fundamental principle advocated by liberalization/economic globalization. Support for such view reiterates the neo-classical theory's case for free flow of capital (Singh, 2002) or calls for 'monopolists to behave competitively' (Rodrik, 1992). For where there is lack of healthier competition, transfer fees will remain high. No wonder, Solimano concludes: 'the development potential of remittances is thus diminished under current market realities.'

Effort to bypass the MTOs' high rates suggests that migrants would seek alternative means for sending money to their home countries. This probably accounts for the need to put remittances into two different categories: formal and informal channels. Well-known and higher fee-charging money transfer services – banks, Bureaux de Change, MTOs such as Western Union or Money Gram – come under *formal channels*. Any other transfers occurring outside the above must then fall into the *informal channels*, and are therefore not recorded in any official data. Hand-to-hand transfers, Omer (2002) observes, partly explains this because some migrants prefer sending money to their relatives or friends back home whenever a person they know is travelling to the country in question and thus avoid paying commission or unfavourable exchange rates. The so-called 'Hawala' system is another form of informal money transfer mechanism where 'agents' offer services from a back office or simply at home. The agent can keep the transfer costs extremely low because his activity is not declared and he therefore evades taxes.

Incentive to use informal channels appears to depend on a wide range of factors, which makes it exceedingly difficult to accurately determine how much is remitted. For example, the use of informal channels can vary significantly among countries (Omer, 2002). With regards to transfer costs, Orozco's study (2003) clearly illustrates that the costs of remitting money vary; it depends on the sending as well as receiving country, the costs of services and the amount of money sent back home. In a related analysis, Sander (2003) argues that because of the weak financial infrastructure in many African countries, especially in SSA, informal money transfers are much more common than in other developing countries. Moreover, differences have not only been observed between countries but also among different ethnic groups. Communities with strong codes of trust are more likely to use the informal channel than those where norms like trust and confidence do not play such an important role (Omer, 2002).

Nonetheless, resorting to informal channels does not mean that senders and receivers have less preference for using MTOs. One can validate this point by relying on the finding of Orozco`s study: Even though, on average, MTOs cost

more than other formal institutions, they are still prominent among migrants as they do not only offer a rapid service but also provide sale points which are easily accessible for many people, especially in areas where the financial infrastructure is very poor or even non-existent. Sander and Maimbo's (2003) contribution is equally revealing: the choice of how to remit money depends on several factors such as exchange rate in the host country, accessibility to the service provider for the sender as well as receiver, commission and speed of the transfer. Given that it is almost impossible to establish the exact amount remitted at any point in time, it seems logical to examine the impact remittances have on people's welfare.

Until quite recently the literature on remittances mainly focused on the negative impact of the money sent back home, especially on the *macro* level. Durand and Massey's (1992) studies conducted among 37 remittance-receiving communities highlight reason for this negative perception, as they found out that almost 95 percent of the money is spent for the household welfare (food, housing, education, health care etc.) and therefore does not lead to economic growth.

Additionally, Dinerman (1982) and Lopez (1986) arrived at similar conclusion in their research which focused on Mexican communities. They argue: since households use remittances primarily for consumption and not for savings or investments, remittances lead to dependency of the income from abroad, which, in return, hinders economic growth. While these studies expose the narrow view of the actual impact of remittance, it unavoidably reveals the downside of concentrating solely on *macro* level in this assessment.

Surprisingly, only few scholars seem to have investigated the impact of remittances on the labour market. Drawing on the 'moral hazard theory,' Chami et al. (2005) discovered a rather ironic development which arises from increased dependency on remittances in the long term: remittance-receiving household members work less compared to households without remittance inflow. They argue that the regular income from abroad reduces motivation to work among receiving households and thus may have a negative effect on growth. Again, what seems to be more important here (judging from *macro* level) is the GDP or overall growth rate, ignoring essential criteria for making a far-reaching or comprehensive assessment of its effect on labour.

Emphasise on economic growth appears to explain the greater interest in investment as the yardstick for well-being. This is why Durand et al (1996) have heavily criticised the 'concept that remittances contribute to development only if they are used for investment.' They underline the fact that the unproductive use of remittances, money that is spent on food, housing and education, does lead to an overall rise in consumption which, as a consequence, is beneficial for the whole economy. Their study claims that remittances have large *multiplier effects* because the additional income not only stimulates the demand for goods and services and thus leads to an increase of production but also creates new jobs. The researchers argue that for every $2 billion invested in remittances there will

be $6.5 billion worth additional production in Mexico. That means that remittances do not only have direct effects on the micro level but they also have an indirect positive effect on the macro level.

A major problem for poor people in developing countries is the lack of access to capital necessary for investment opportunities; they are often excluded from the banking system. The growing importance of micro-credits clearly demonstrates that even a small amount of starting capital can enable people to improve their living standards. In this regard, remittance could perform the same function. This is consistent with Woodruff's and Zenteno's (2001) conclusion of their survey of urban Mexican firms in which remittances are estimates to have generated around 20% of the capital invested in micro-enterprises. From a broader prospective, remittances can also be converted into fixed capital, say, houses. Using data from the Mexican Migration Project, Parrado (2004) finds out that migrants are 1.2 times more likely to invest in a house in their country of origin after having worked only one year in the United States. Home ownership increases by around 3% with every further year they spend abroad. The outcome is that jobs are created in the home country because labour force is needed in the building sector.

At the *micro level*, most of the existing studies put emphasis on the positive impact of international remittances on development. So, issues that have been overlooked at the *macro level* seem to receive more careful attention at the micro level. Unlike FDI and official aid, remittances are received directly by families and households thus enabling them to spend the money according to their specific needs. Adams and Page (2005), for instance, saw the potential of remittances by showing a direct relationship between the so-called "Poverty Headcount Index" (which measures the number of people living below the poverty line) and international remittances: a 10% increase of international remittances in a country's Gross Domestic Product (GDP) leads to a decrease of the 'Poverty Headcount Index' by 1.6%. What the micro level does illustrate is that the focus of analysis ought to be at the individual or household level in order to appreciate the real impact of remittances.

Health care and education are very vital in the area of human development, but in many developing countries the required funding is insufficient. Armuedo-Dorantes and Pozo's (2005) study confirms that remittance-receiving households spend more money on health care than households without remittance income. Why some may be unable to appreciate the result of the above finding is because, contrary to economic growth, the benefits of human capital are difficult to measure as they are very complex. Besides, none of the remittance-receiving households spends their money in exactly the same way. This is an essential 'investment' in the long term as it specifically benefits the future generation and the overall well-being of the population. On education, Cox-Edwards and Ureta (2003) observe that children are more likely to stay in school if they live in re-

mittance-receiving households. Their study illustrates significant differences between schools in the urban and the rural areas, in that with a remittance income of $100 per month, school dropouts decrease by 54% in urban and by 14% in rural areas. The overall positive impact of remittances on education can be evaluated from Hanson and Woodruff's (2003) argument which holds that remittances lead to better school attendance; meanwhile, Lopéz Córdova (2006) cast more light on this by indicating an increase in the literacy rate among children.

Nevertheless, these studies praising the developmental effect of remittances have been subject to harsh criticism by Barham and Boucher (1998) who argue that they have to be seen as a complex phenomenon and can not be taken as an 'exogenous income'. In order to prove whether they have an overall positive impact or not, the authors suggest that one must look at other factors, too – such as brain drain, the disruption of family life or the effects on the labour market, which are consequences of global migration.

## Collective Remittances – New Resource for Development?

Having examined the impact of individual remittances, the focus now shifts to collective remittances – the *meso*-level perspective. To engage with this approach requires an emphasise on the role of Home-Town Associations (HTAs) and transnational communities.The term *collective remittances* came into use because, 'unlike worker or family remittances, it describes money raised by a group or community with whom it is affiliated' (Goldring, 2004). Collective remittances are used to finance community projects, mainly in areas with a high rate of migration. They emerged when migrants started to come together in communities as so-called HTAs in order to support their places of origin and to maintain a sense of community in the host country. These organisations first evolved as informal voluntary groups with the primary aim of bringing nationals from the same area together and to preserve their cultural identity through informal bonds. Over the years, however, they started to become more structured and to create a social support network for their communities back home, with special focus on the needs of the most vulnerable (Somerville et al., 2008). By raising funds on a regular basis, their members began to finance small-scale projects in areas such as health care and education in order to help develop their hometown. The growing importance of HTAs lies in their ability to act as agents between the host and destination country: 'Underlying these activities is a sense of belonging, which connects a Diaspora to its home place and fuses spatially dispersed indigenes into a community variously described as translocal, multilocal or extended' (Evans, 2004).

Although the exact number of HTAs is unknown – following their informal nature – migration analysts estimate that they are growing incredibly fast worldwide. Understandably, these associations are hardly recognized as a 'glo-

bal phenomenon', especially because the literature around the topic focuses predominantly on Mexican HTAs, as they are among the most visible communities. Orozco (2009) expresses the same concern, stating that HTAs have become an essential part within the Migration-Globalisation-Development debate and yet their function and impact has been underestimated for too long. Then, setting out the vital functions performed by HTAs may be a useful way of appraising their contribution. For example, HTAs are known to be involved in various community projects ranging from infrastructure to communication networks (construction of roads, potable water, and electricity supply to name only a few). Another category includes social investments, such as education, health care and alimentation of the poorest part of the population. 'Recreation and status-related' projects which include the creation of sport facilities fall under the third category. Collective remittances are also invested in other urbanisation projects like halls, plazas and markets (Goldring, 2004).

A vital distinguishing feature of collective remittances stems from the fact that they are non-profit making bodies aiming to benefit the whole community. Their very existence is a reflection of the failures of governments to provide their population with basic needs. Goldring's (2004) assertion also exemplifies this: 'migrants themselves say that it is the government's job, but if they do not do it themselves, either it will not get done or it will take too long.' Following this line of thinking, it is essential for NGOs to work directly with these grassroots communities and to provide technical assistance, expertise as well as financial support, like in the case of Oxfam Novib which financed around 550,000 Euros from 2005 to 2008 for social projects carried out by a Somalian HTAs in Amsterdam (Sommerville et al. 2008).

## Case Study – Senegal

It seems plausible to directly test the validity of the theories explored so far by applying them to a real situation. Among other aforementioned reasons, Senegal provides a test case for such analysis. Moreover, Senegal, compared to other African countries, was for a long time seen as a 'success story'. Nevertheless, natural disaster and problem of good governance combine to make it a right place to evaluate the effectiveness of remittances. One major reason is that more than 70 percent of the population engage in the agriculture sector and the constant droughts over the last decades have had a disastrous effect on the livelihoods of many Senegalese (CIA World Factbook, 2009). The other being the Structural Adjustment Programs (SAPs) imposed by the International Monetary Fund (IMF) and the World Bank (WB) together with a 50 percent devaluation of the Franc CFA in 1994 led to a further weakening of the country's economy. Although the government was able to attain annual growth rates of about 5 percent in the years 1995-97, unemployment and poverty are still major issues (Répub-

lique du Sénégal, 2008). The WB's estimates of 2002 show that over half of the population were living under the poverty line (World Bank, 2004).

## Migration to France

The first wave of Senegalese migration to Europe was during World War I, when the French government recruited Senegalese soldiers from its colony, the so-called 'tirailleurs' (Gueye, 2002). In the 1960s, after having gained independence, Senegal experienced a second emigration flow, mainly a consequence of World War II. During this period, France, as well as many other European countries, was in urgent need of labour force to rebuild the economy. Job opportunities and the economic boom attracted an increasing number of migrants who left their home country in order to find employment in the big cities such as Paris, Marseille and Lyon. According to Timera (1996), those migrants were, for the most part, from the Senegal River Valley region whose inhabitants were originally from the Soninke, Serrer and Tukulee ethnic group.[6] During this period, migration from Senegal to France was facilitated when the links to the former colonizers enabled Senegalese migrants to easily obtain French citizenship. Garson (1992), for instance, states that 'the structural affiliation to France continued for more than 20 years after Senegal's independence'. Unsurprisingly, between 1968 and 1982 migration from Senegal to France increased from approximately 5.500 to 32.300 (INSEE, 2004). This rise is partly due to the constant drought in Senegal (which affected, especially, the population in the rural areas) and the political and economic crisis the country experienced during this period. In the 1980s, Senegal came under international pressure from the IMF and the WB; under the Structural Adjustment Programs, a set of policies was implemented with the aim to encourage promotion of growth and guarantee debt service payments.

Conditions imposed by the international financial institution mostly had an adverse effect on the lives of the general population. It is an observation that could be easily substantiated once one realizes that conditionality typically resulted in liberalising foreign trade; devaluation of the local currency; cuts in government expenditure and reduction in real wages, particularly in the public sector (Head, 2005). Senegal was affected precisely because the devaluation of the Franc CFA in 1994 had deep social and economic consequences for the country. Sane (1998) detailed how devaluation immensely reduced purchasing power and therefore resulting in 25-30 percent increase in the price of basic food such as rice: 'high price of food had far-reaching effects on all social classes.' Further, the author contends that poor economic conditions and the crisis in Senegal are considered to be the main driving force behind constant inward and outward migration of the Senegalese population. While migration patterns can predominantly be observed from rural to urban areas, especially to the capital Dakar, almost 50 percent of migration from Senegal takes place within the African continent. The Ivory Coast, Guinea-Bissau and Mali are the main destinations

(République du Sénégal, 2004). In the context of outward migration, France has for a long time been the main destination country for migrants mainly because of its colonial links to Senegal. However, patterns and flows of people have diversified over the years and other countries including Italy, Spain and Germany have become major destination countries, 'thereby reshaping new transnational space' (Gueye, 2002).

## Remittances – Volume and Channels

The current literature on remittances to Senegal is limited; therefore, it lacks reliable data on formal and especially informal remittance figures. Few studies have been carried out to measure the actual amount sent back home by migrants to their relatives and friends. According to figures released in the Balance of Payment Statistics of the IMF, officially recorded remittances to Senegal increased from approximately $90 million in 1998 to over $550 million in 2004 (IMF, 2000 and 2006); their share as part of the GDP has increased at the same time and surpassed the 6 percent line in 2005 (World Bank, 2007). However, despite the fact that theses figures are impressive, it is unclear to what extent the increase in remittances in recent years is due to better reporting or greater willingness among Senegalese migrants to use formal channels. Fall (2002) believes that the actual amount of remittances is up to three times higher – if unrecorded money transfers are taken into account. The use of informal channels, as Ndir (2001) argues, is related to the fact that only a small proportion of the population, around 7 percent, has a bank account. Consequently, Senegalese banks control less than one third of the total amount of capital flow in the country. The author observes that using the banking system or any kind of formal credit institution is not embedded in the Senegalese culture and thus reinforces the constant use of informal transfers.

According to Sander and Barro (2003), the current transfer market is still inefficient; it puts an obstacle to remittance flows due to the high costs to send money, even though actual transfer costs to Senegal have decreased over the years. Furthermore, the Senegalese government seems to hinder the sending of remittances, as agencies require a banking license even for small transfer agencies. Consequently, migrants with illegal status would no longer be able to send money back home because they would be asked to show their immigration or working document. The following reveals how this defeats the aim behind currency flow, that is, remittances:

> *This array of requirements limits competition and raises fees. It also encourages senders to turn to informal networks, and money transfer agents to refuse to serve low-income individuals whose bona fides may be difficult to verify* (Gupta et al., 2006).

In their study on the comparison of different money transfer mechanisms, Sander et al. (2003) argue that unofficial money transfer to Senegal is still the most

attractive means as it offers several advantages: '[f]or informal transactions, it is not necessary to be able to read or write, and no official proof of identity is required. Furthermore, the informal systems do not place any restrictions on the amount of money which can be transferred.'

## Emergence of 'Association Villageoise'

As mentioned earlier, beyond local case studies, no evaluation of the impact of HTAs has been done so far. The role and impact of Senegalese migrant associations has received little attention in current literature except among francophone scholars. Like in many other African countries, the first Senegalese HTAs or 'association villageoise' as they are called among French academics evolved when migrants moved from rural areas to the cities within the country. According to Mande (1996), 'the first associations were created under colonial rule by migrants settling in towns and cities and were aimed at helping the urban adaptation of new arrivals'. With the increase in international migration however, the concept of migrant village associations started to be replicated in developed countries (Fitzgerald, 2004). Lavigne-Dellville (2000) argues that the first Senegalese HTAs whose members were predominantly from the Senegal Valley region, one of the poorest areas in Western Sahel, appeared in the 1970s in France. While these migrants, mainly from the Soninke ethnic group, had a long history of emigration to other West African countries, their focus soon shifted towards outward migration (Quiminal, 1991).

Daum (1993) argues that the creation of the 'associations villageoise' was without any doubt unintentionally facilitated by the French government who constructed migrant foyers in the French suburbs at the end of the 1960s. These foyers favoured the regrouping of migrants from the same country of origin and even town or village and thus enabled migrants to replicate the traditional hierarchy of their villages back home. HTAs helped maintain the social order among community members and intensified social pressure in order to remind the migrants of their principal role in France: which was to support their families and relatives in Senegal (Daum, 1993). Ironically, emigration from Senegal, at the same time, caused a shortage of labour force in the agriculture sector which increased the dependency on remittances from abroad. Quiminal (1991) estimates that almost 30-80 percent of the daily household consumption in the Senegal River valley was financed by international remittances in the 1980s.

## Analysis[7]

## Remittance Behaviour: How Much, How Regular?

The examination of the Senegalese Diaspora and the pattern of remittances opened up a number of interesting conclusions. The interviews made it quite evi-

dent that remittances play an essential role in the well-being of the relatives and families in Senegal. These findings confirm Quiminal's (1991) assessment that 30-80% of the daily household consumption is financed by international remittances; only in one of the cases studied, remittances were seen as an additional income and did not serve as the main household revenue. Abdoulays extended family does not depend on remittances from abroad. He states: *They don't really need the money because they earn enough. It is more a question of tradition.* The other three participants however pointed out that without the money they send home, their families would find themselves in a precarious situation which confirms Adam's and Page's (2005) findings that remittances reduce poverty among receiving households. Samba for instance states: *If something should happen to me, then I know that my family will struggle a lot. They really depend on the money that I send to them. Sometimes I'm worried and afraid that one day something will happen to me and nobody will take care of them any more.* With the exception of Abdoulaye, all people interviewed send remittances to Senegal on a regular basis, regardless of their employment status. However, the amount of money sent varies among interviewees and is predominantly decided by the migrant. The amount of money Assanatou remits depends on her income and, interestingly, on her estimation of how much rice the family members need per month: *It may sound strange but basically what I do in order to calculate how much I have to send I think in terms of rice bags. How much rice can feed how many people?* Assantaou remits a monthly sum of 270 Euros to her sisters, to other family members in the village and the wife and child of her brother who passed away one year ago. Antoine remits 150 Euros every month to his parents and Samba sends monthly remittances of 300 Euros to his family in Senegal. Adoulaye is the only participant who remits irregularly, for example, when his best friend calls him and asks for support or when he occasionally sends money to his uncle or aunt.

Moreover, even though the amount of money sent to Senegal varied among the interviewees, they all seem to agree that no matter how little the amount may seem for the sender, any financial support makes a huge difference for their families in Senegal. Thus no amount is considered to be too small to be remitted. Assanatou declares: *20 Euros is not a lot of money in France. But when you send it to Senegal it makes a big difference to the people who live there.*

## How are Remittances Used?

A common observation from those interviewed is that they are mostly concerned with basic needs. This strengthens Durand and Massay's (1992) findings stated earlier that almost 95 percent of the money is spent for the household welfare. Because families spend the money for daily expenditures such as rent, food, school fees or health care. Assanatou states: *If I pay for their rice, they still have some money left which they can spend for something else. But most of the money is spent on food and school fees*. Samba argues along the same line: *With the money*

*I send my wife buys food, clothes etc and pays all the household bills; she pays the doctor whenever she has to.*

Furthermore, the findings from the interviews failed to substantiate the contention that remittances are 'sources for investments'. For in most of the cases only a small part of remittances is left over among the receiving households in Senegal, which ties in exactly with Asanatou's and Samba's above statements. In this context, Samba points out that remittances can only be saved in families that do not depend on the income from abroad. This reveals a major social and economic reality in Senegal, that is, the propensity to save among ordinary population is very low. To understand this makes it necessary to quote Samba once more: *In my family, people need every cent and use it to cover their daily costs. But of course, if the relatives in Senegal have their own income every month, they can make savings and perhaps start to invest their money one day.* This challenges and contrasts with Wodruff and Zenteno's (2001) findings on Mexican firms where remittances have enabled receiving households to invest a small part of the money from abroad in entrepreneurial activities.

The preceding concern about the amount necessary to set up a business also exposes a common situation faced by the respondents. Almost all are very low-income earners. This recalls Todora's argument that migration is an inflow of cheap labour-force. Clearly, Assanatou confirms this: *I don't think that the money I send would be enough to start a business. You need a lot of money, at least 8000 Euros. I really can't afford that at this time.* But most respondents also pointed out that they rejected the idea of financing a business – even if they were earning enough money. Antoine for instance said: *the problem is that once people receive money on a regular basis from abroad they get lazy. People don't want to work if they can get the money without doing anything. Of course not everybody is the same, but from what I've seen, this is how it works in most of the cases.* This fits into the moral hazard theory discussed earlier. The research findings illustrate that three out of four interviewees agree with this statement.

The importance of housing, which seems to be the most popular investment among the participants, has been mentioned several times during the interviews. In a related development, Parrado's (2004) findings regarding the link between increased homeownership and remittances have been corroborated. In all four cases, extra money was invested in the construction of a house in Senegal once the migrant started earning a regular income. The participants have realised that by investing their money in housing, they themselves can benefit from the purchase of a family home while providing free accommodation for their relatives. Abdoulaye mirrors this: *buying a house is the perfect investment because not only you but the whole family can benefit from it.*

## How are Remittances Sent?

In order to find out how much of the remittances are actually recorded, par-

ticipants were asked which transfer services they use. The outcome of the conversations confirmed Salimano's claims that informal transfer services are very common in Senegal due to the high costs to remit; therefore, most remittances remain unreported. The interviewees clearly showed that MTOs were too expensive and not very popular. Assanatou sums up the overall feeling: *I first started sending money via Western Union. But I was charged about 15 Euros for 100 Euros I sent. I know it sounds strange, but every time I sent money I felt like they robbed me.* Western Union and Money Gram, the two most prominent MTOs, are only used in emergency cases, as Samba affirms*: A few months ago, my brother had a car accident. My family needed money to pay for the hospital and his operation. I had to use Western Union because the service is very fast.* By comparison, informal hand-to-hand transfer services were relied upon by all participants. Antoine then had this to say: *whenever someone I know goes to Senegal, I profit from the occasion and ask the person to hand over the money to my mum.* Although Omer (2002) explains that hand-to hand transfers are the most common means for sending money, the people interviewed still said that they make use of it only if they can send it through someone trustworthy.

In particular reference to Omar's finding (the Hawala system discussed above), some interviewees' reliance on this service as a means for sending money implies that respondents always look for cheaper means. Assanatou and Samba, for instance, mentioned that the agent charges them only 10 Euros for every 100 Euros they send. Not only is the transfer cheaper, but it also offers many other advantages: *There are no limitations on the amount of money one can send; at the bank or post office, they bother you with too many questions if you send more than 300 Euros,* Assanatou declares.

Moreover, Abdoulaye sends money via "fax-fax", a community based transfer mechanism which will be explained in more detail in the next section of this paper. None of the participants uses the service provided by the post office as transfers can take up to one week and are considered extremely slow. Antoine is the only interviewee who uses the banking system to transfer money. His account in the West-African Central Bank CBAO in Paris enables him to send money from his bank account in France to another in Senegal. Since it is the same branch in both countries, he doesn't pay any commission.

In addition, Sander's (2003) study concludes that the use of informal money transfers in Senegal is very common due to the country's weak financial system. The respondents were not pleased that the number of banks in Senegal, especially in big cities, was increasing while many rural areas were neglected. Another issue raised during the conversations was related to the very low number of bank account holders, even in areas where the banking system is existent. Antoine for instance states: *People have no confidence in banks. Most of them hide their money somewhere at home. Some even sleep with the money because they are afraid of thieves. (...) My mum was working in a bank when I was a child. One day the*

*bank went bankrupt and people did not get their savings back. (...) Things like this used to happen in Senegal. I believe that there is much more security nowadays, but it will take long time until people will gain trust again.* In the same vein Assanatou argues: *Why should people have a bank account? There are no loans from the bank. And if they do, people can't give the bank any guarantee that they can ever repay the loan.* These statements confirm Ndir's (2001) argument that using the banking system is not embedded in the Senegalese culture and thus leads to the constant use of informal transfers.

## Transfer Mechanism Developed on the Community Level

The current literature on remittances deals with transfers on the *individual level* only. Even though different ways of remitting money have been outlined, the findings of the interviews expose what is still missing in the current literature, since the they illustrate that even on the *community level* specific transfer mechanisms do exist. Conversation with two HTA members, yield some interesting insights into how the community is transferring money to Senegal. The HTA collects the money that their members want to send to relatives and families on a daily basis and transfers it via agents in both countries – a process which came to be named "fax-fax" within the community (the *fax* has a symbolic meaning and stands for effectiveness and rapidity). According to Moussa, the amount of the money remitted varies from day to day: *In general, we collect around 15,000 Euros a week. During special events, however, like Ramadan, this amount can reach up to 30,000 Euros.* That this significant amount frequently through HTAs is unrecorded also implies that one may never know the true impact. The interviews further revealed that, in comparison with other existing transfer mechanism, the community transfer costs are far below the average. What is unique about the way the HTAs operate is that theirs activities are done out of charity – also a confirmation of Goldring's (2004) findings. The HTA is in essence a charity as Amadou argues: *The major objective of the community is to make the life of our members easier by providing affordable services. (...) The profit we make, as a whole, returns back to the community in forms of projects.*

## HTA Diawara[8]: Impact of a Transnational Community

The following analysis focuses on a Senegalese HTA in France, and hence explores the impact its members have on transforming their home village, Diawara. The region is of particular interest because of the high emigration rate in which almost nine out of ten households have a member who is living abroad. In discussions with two HTA members, the researcher gathered valuable information about the origins of the association, the objectives and function, as well as some

general features about the group. However, as previously mentioned, the interviews were not recorded as sensitive topics were treated during the conversations. Therefore, the data is only an approximate account of what was said and does not include many citations from the participants.[9]

Both Moussa and Amadou are members of the HTA Diawara that was initially created during the economic boom, when many Senegalese went to France to find employment. According to the interviewees, the members of Diawara village founded the 'association villageoise' in Paris to help migrants affirm their cultural heritage and ethnic identity, reiterating the apprehension over the social dislocation triggered by leaving one's country, which is equally expressed by Moussa's own words: *for Senegalese people, the place of origin is very important; it's part of our identity. When the first migrants came to France they were afraid to lose their bonds with their country of origin. They were afraid that their children would forget where their parents and ancestors come from.* In this dimension, Evans (2004) was correct to argue that a sense of belonging clearly connects the Diaspora to its home place. Moreover, the interviews confirm Daum's (1993) statement that the creation of HTAs in France was clearly facilitated by the fact that migrants were living in residences, the so-called "banlieue", that only enhances such aim. Unease over loss of identity is what Moussa captures so succinctly: *For us, it is normal that people from the same village, or even town, stick together wherever they are. It's like a big family; everybody knows each other. When the first blocks in the French suburbs were created, people from the same country were located in the same areas. This is how the community slowly started to exist.* One outcome of this somewhat voluntary or self-imposed exclusion is that what these communities do with their earnings will continue to escape research.

The theme of technological advancement – arguably the defining feature of globalisation (see Friedman, 2000) – came to the fore during the interviews. Participants highlighted the scale to which migrants rely on technological advancement and social networking. Even though complex relations between people within different spaces have attracted increased attention within the literature on globalisation, the interaction between Diaspora communities has hardly been mentioned. In this, Abdoulaye states: *There are a lot of communities from the same village, not only in France but also in Italy, Spain, the States, Germany etc. Even though every community has its own organisation, we work together when it comes to particularly demanding tasks or projects.*

One can see from the learning facilities set up by HTAs that networking and proper coordination make it easier for members of these communities to not only pull their resources together but to ensure that the solutions are precisely targeted to the problems of the people needing support. The Parisian HTA of Diawara, used as a case study in this paper, clearly exemplifies this; Diawara is one of the few villages that have two primary schools and a college. These institutions enable the pupils of Diawara and the neighbouring villages to attend school

without having to leave the village for Bakel, which is 20 kilometres away. Additionally, the college has space for over 300 pupils, and its sanitary, electricity, school materials have been fully financed by the Senegalese Diaspora in France, Italy, Spain and the United States. The association is also taking charge of paying the salaries of the tutors or teachers in each learning facility. According to the interviewees, increasing the rate of children attending school, especially girls, is one of the main objectives of the HTA.

Equally, health care delivery is among the HTAs' list of priorities. Before the health care centre was constructed, the Senegalese government had provided jus a small clinic for the entire village – which was built in the 1950s and run by one nurse and one mid-wife – for a population of about 17 000 people. Besides, only one doctor managed the whole department serving around 25 villages. So, every time the nurse was absent the clinic remained closed. The community in Paris then decided to finance the construction and the equipment of the new health centre, as well as to employ a professional doctor who is paid on a monthly basis.

To further support the well-targeted approach of the HTA to the people's needs, one ought to refer to their effort in the provision of access to drinking water. In 1991, the Senegalese government dispensed only two water-reservoirs to cater for the entire population. People had to walk long distances to collect water for their daily needs – an additional burden, especially for women. The Parisian HTAs financed 15 additional water-reservoirs spent in excess of 35,000 Euros in the village of Diawara.

These are only few examples of developmental projects initiated by the Parisian HTA. The main belief expressed by both participants is that each citizen has rights as well as duties towards the home country. This particular conversation with the interviewees confirmed Gorldring's (2004) theory, which holds that the motivation of the members of a HTA is based on patriotism, a deep sense of community, solidarity and the need to contribute to the development of Senegal. It is a theory Abdoulaye indirectly acknowledges: *I think that solidarity is definitely really important in Senegal, like in many other countries. Many people live in extreme poverty and can't rely on the government for support. So they have to rely on their families and neighbours in order to survive. In my village Diawara, people consider themselves as part of a big family.* Even though the community has achieved a lot in terms of better living conditions, both respondents underlined the fact that the association finds it increasingly difficult to collect money in the light of rising costs in France. Both participants agreed that these kinds of associations need additional help from the government or international organisations.

## Conclusion

The conclusion to draw is that remittances offer a vintage point from where one

can actually observe global changes as well as engage with the notion of development itself. It can equally be argued that migration is a natural consequence of globalisation and sending remittances back home to individuals as well as communities is a major driver of the migration phenomenon. Therefore, migration studies should be embedded within the broader debates around the international political economy and its implications for development prospects of developing countries. The many issues related to migration are likely to remain unresolved due to the fact that the relation between migration, development and globalisation remains under-researched.

Ascribing significance to the various benefits that arise from remittances is crucial, because discussion on development is usually concerned with economic growth, thereby failing to attach due importance to human development. The implication is that money that does not finance 'productive projects' or investments, is not a main concern. But the findings of the interviews have shown that remittances often constitute the main source of income, especially in countries where the social security network is insufficient or even non-existent. And in most of the cases, remittances are used for household consumption – which is a positive 'investment' in the long-term.

Given that remittances by international migrants constitute an important source of income in Senegal, it is questionable whether their capacity to promote local economic development would be even greater if changes in the international and national financial system were undertaken. High transfer costs probably account for why the migrants interviewed all use informal ways to send remittances. What is lacking in the financial infrastructure is also exemplified by the role the HTA of Diawara has come to play; it has reacted by creating an informal transfer mechanism on the community level. This is why the theoretical debate drawn from liberalisation or economic globalisation favours the removal of barriers to the flow of capital, in this context, remittances.

Furthermore, success and failure of some governments to meet the needs of their population has become more pronounced on account of globalisation. In essence, some HTAs have clearly assumed the traditional role of the government for they contribute to local development by financing social projects in their home country. An illustrative case is the part the Parisian HTA plays by undertaking many developmental projects in their village in Senegal.

Although this research is just a snapshot of the impact of remittances on development, it has succeeded in highlighting some key issues that require further research that could persuade governments to design policies which increase the developmental potential of remittances. Following the cross-border dimension of the issues and the enormity of the challenges, only international collaborative effort can bring about the necessary changes.

## Notes

1. This article is part of a post-graduate dissertation. It was presented at the joint conference (University of Westminster-Kocaeli University) on 'Globalisation, Religion and Development' in 2010.
2. Sander (1996) defines globalsiation as '□ liberalisation'. The author points out that the process of 'international economic integration' evolves over the time and is related to the development of removing state barriers which facilitate cross-border flows of goods, services, capital and labour in order to create an 'open' and 'borderless' world economy. McGrew (1999) describes it as 'deterritorialisation'. That is, a process which embodies a transformation in the spatial organisation of social relations and transactions.' The basic idea behind this concept is that a growing number of people are connected with each other in more different ways within greater physical spaces. This new form of interconnectness has been facilitated through improved transportation and means of communication (Lechner and Boli, 2008).
3. International Migration is broadly defined as the movement of people from one country to another. Even though various forms of international migration exist (seasonal, short term, involuntary etc) the main focus in this paper will be on voluntary South-North migration.
4. Remittance is the money that migrants send to their home countries. Goldring (2004) distinguishes between three major types of remittances: individual or family remittances (used for basic consumption such as food and housing), collective remittances (used as 'donations' for social projects such as the construction of roads, hospitals or schools) and entrepreneurial remittances (money that is invested by the migrant who seeks a profitable return). In this paper however, the emphasis will be on individual and collective remittances only.
5. Brain Drain is briefly defined as large-scale emigration of individuals with technical skills or knowledge, in general, from developing countries to developed countries.
6. Diouf (1998) gives a good overview of the diversity of ethnic groups within the country. The largest of these are the Wolof (44 percent), Pular (23 percent), Sereer and Tukulee (15 percent), Jola (3.5 percent), followed by the Mandinka (3 percent) and Soninke (1 percent). However, several other ethnic groups exist. Despite the diversity of religions within the country, almost 90 percent of the population are Muslims and most of them part of a brotherhood. The Mouride brotherhood has attracted most attention from scholars over the last 15 years.
7. This analysis is based on a case study of Senegalese migrants in Paris and the HTA of Diawara. The study was conducted by the means of qualitative re-

search. In regards to the interviews, different methods were used: semi-structured interviews as well as life-stoires. However, the interviewees requested to remain anonymous, therefore their real names will not be disclosed.

8. Diawara is a village in the Eastern part of Senegal, in the regional area of Tambacounda. Its administrative centre is the former colonial town Bakel. Around 17000 people are currently living in Diawara, most of whom are from the Soninke ethnicity which can also be found in Mali and Mauritania. With an average growth rate of 2.5 per cent, the population will soon reach the 20 000 mark. The village was founded 900 years ago and constructed with the financial support of its citizens living abroad.

9. Included in this analysis were also citations from Abdoulaye's interview, who is part of the same association. His life-story profile has brought some interesting and valuable aspects of the HTA, which are mentioned in this section of the paper.

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# 13

# Politically Connected Companies and Their Financial Relations in the Global World: A Case Study of Turkey

*Sibel Fettahoglu*

## Abstract

*Business thrives on having connections to politicians and vice versa. In authoritarian regimes, family members and close friends often control large industrial conglomerates. The degree of interconnectedness has financial implications. Politically connected companies have higher leverage than non-connected ones. This benefit for companies is to avoid heavy taxation. In the case of Turkey the organisations with connections to political parties have been rewarded very well in the last decade or so.*

## Introduction

Having connections is important for both business professionals and politicians. In authoritarian regimes, large industrial conglomerates are often controlled by family members and close friends. It is not unusual that political connection has a decisive effect for businesses which are related to the government in democratic societies (Choi and Thum, 2009).

Empirical evidence on this issue is available in literature on finance. Facio (2009) has conducted research on companies with political links in 47 countries; Claessens, Feijen and Laeven (2007) focused on this issue in Brazil; Cull and Xu (2005), Li Meng, Wang and Zhou (2008) concentrated on China while Luez and Oberholzer-Gee (2006) researched on Indonesia. These studies concluded that politically connected companies have higher leverage, pay lower taxes and have stronger market power but poorer accounting performance than non-connected companies. This study is about Turkey and the evidence is based particularly on Facio's study. So, "leverage ratio", "income taxes / pretax income" and "ROE (return on equity, whereby equity cost is defined as "DIV / $P_0$" ratio)", are all determining financial variables for a discriminant analysis.

The aim of this study is to determine the differences between connected companies and unconnected ones by measuring financial variables in Turkey. There are some limits in the analysis which are related to the politically con-

nected companies in Turkey. Because the study only includes companies that are listed on the Istanbul Stock Exchange (ISE) for the 2005-2008 period, although companies which are politically connected but unquoted on the ISE could have been considered as well. It was difficult to gain access to financial statements of these companies as they are under no obligation to publish their financial figures. For this reason, this analysis includes only companies that are quoted on the ISE. However, the companies analysed in this paper will not be named, as the researchers do not want to make unfounded speculations and thus become subject to legal issues.

The study has four sections. The introduction deals with definitions in the related literature and their findings. The rest of the paper is structured as follows: Section 2 describes politically connected companies. Section 3 presents and compares financial variables of both groups of companies. It also represents an empirical evidence with regard to Turkey. Finally, Section 4 concludes by arguing that politically connected companies fare better.

## Definition of A Politically Connected Company

A company is defined as politically connected if at least one of its large shareholders or one of its top directors is a government minister, a head of state or is closely related to a top politician, a political party or a member of parliament. In this, close relationships also include friendships, ties with foreign politicians and political parties (Faccio, 2007).

The differences between politically connected companies and unconnected companies are greater if the connection is with a minister rather then a member of parliament. There is a significant amount of literature which shows the effects of political connections on a company's value. A member of parliament may be a big shareholder or a top director of the company (Faccio, 2007).

In his study carried out in Turkey and India, Krueger (1974) points out that entrepreneurs spend time and money on bureaucrats in order to persuade them to give them access to rents. These rents represent a significant percentage of a nation's Gross Domestic Product (GDP). Fisman (2001), focusing on Indonesia, reveals a similar trend. He shows the effects of political connections on a companies' value during Indonesian President Suharto's reign. His results suggest that a large percentage of a well-connected company's value may derive from political connections.

The benefits of political connections can take various forms:

- Government subsidies,
- Benefits from government banks,
- Lower taxation,
- Preference in award of government contracts,
- Reduced regulation for companies.

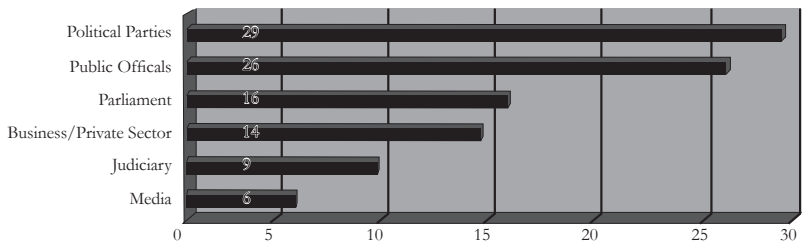
Johnson and Mitton (2003) find that companies with political ties received subsidies when capital controls were imposed in the 1998 Asian financial crisis in Malaysia. After these capital controls, companies connected to Prime Minister Mahathir Mohammad have had a disproportionate increase in stock prices. Khwaja and Mian (2005) also point out that companies that fall within this group in Pakistan received preferential credits from government banks.

Another relevant issue in this analysis is the extent to which companies benefit from their political connections. This brings us to the problem of corruption.

The level of corruption depends on the power of a politician within the economic decision making process. Particularly in political systems where the level of institutionalization is low and the political decision making process is dominated by traditional factors, a wide range of logrolling, nepotism, cronyism and populism can be seen. In some cases, politicians who are supported by some interest groups during elections repay their dues by providing favors. This appears to be the most common type of corruption (Demirer and Yılmaz, 2009). Kurer (1993) as well as Robinson and Verdier (2002) have studied how companies benefit from clientelism, corruption and political connections.

That corruption is a key to the performance of companies can be inferred from its pernicious effect. In this context, it seems useful to mention a study carried out by Transparency International (TI), a global civil society organisation leading the fight against corruption. Its "Global Corruption Barometer" is indicative as it includes interviews of more than 73.000 individuals around the world and thus illustrates the extent to which they perceive six key sectors and institutions to be corrupt. Figure 1 shows the results of this survey.

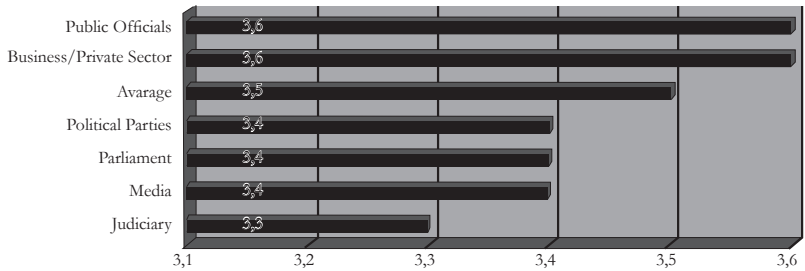
**Figure 1:** Single institution/sector perceived to be most affected by corruption, overall results




**Source:** Transparency International (2011), available on www.transparency.org

TI asked the same question to Turkish people: "what extent do you perceive your country to be affected by corruption? Please answer on a scale from 1 to 5 (1 meaning not at all corrupt, 5 meaning extremely corrupt)". Figure 2 shows their answers.

**Figure 2:** Corruption perception level in Turkey




**Source:** Transparency International (2011), available on www.transparency.org

The study shows that a common perception is that the effect of corruption is more pronounced in companies than in political parties – even in the parliament.

Is it politically ethical for a member of parliament to be a conglomerate's top director or for a business person to be chosen as a member of parliament? Should they maintain their private businesses? A parliament is a body which represents the public with the aim to protect public interests. Private sectors and conglomerates are associations which operate towards profit. Therefore, public interests are dominant at parliament but private interests prevail in the private sector. The major issue here is the potential clash between the parliament's and the private sector's interests (Aktan, 1999).

Agrawal and Knoeber (2001) tested the effects of political connections on companies. According to the authors, political ties are important determinants of a company's profitability and performance. The study uses three types of measurement of connections. The first type is the size of the companies; there is a positive correlation between company size and political influence. The second type of measurement is more specific; its determinants are government purchases, trade policies and environmental regulations. The third type focuses on lobbying activities; directors with political backgrounds positively promote a company's performance.

A concrete example of political influence is revealed by the British American Tobacco company which is alleged to have spent €700.000 on lobbying activities within the European Union (EU) in 2008. Moreover, the car industry was expected to achieve the EU's target by reducing a car's environmental pollution to 120 gr. per kilometre until 2010. But due to the power of the lobbyists the EU not only increased the limit to 130 gr. per kilometre but also extended the time limit until 2015 (Utku, 2009).

Goldman, Rocholl and So (2006) indicate that, especially in countries with a weak legal system and a high level of corruption, political connections are valuable assets for a company. For instance, politicians can increase a company's value

through government contracts and tariffs.

Ferguson and Voth (2008) examined how the Nazi Party supported companies' stock returns between 1932-1933 in Germany. Companies supporting the Nazi movement experienced high returns and so outperformed unconnected ones by five to ten percent. In a related finding, Dinç (2005) indicates that politically connected banks – and especially government banks – issue more credits during elections than at any other time.

In the following part, financial variables will be analysed in order to compare political connected companies with unconnected companies. Therefore, the next part attempts to correlate finance and politics.

## Methodology

The aim of this study is to determine the differences between politically connected companies and unconnected companies in Turkey, through analysing their financial variables. Firstly, the board of directors of the companies that are quoted on the ISE for the 2005-2008 period have been searched one by one. To establish the presence of connections, the names of the members of parliament or government were identified through government sources[1]. The names of top company directors derive from the companies' websites as well as governmental websites[2].

According to the modern finance approach, a finance manager's role is to maximize his company's value. Financial decisions must be taken under particular principles. One of these principles is the cost of capital. When financial managers take a decision between debt capital or equity capital, this resource's cost is taken care by them. If debt financing is chosen, this alternative can reduce the tax base with interest payments so as to give an advantage to businesses. The cost of debt can be calculated under the following equation (Fettahoğlu, 2008):

$$k_D = kx(1-v)$$

$k_D$: Cost of debt,
k : Interest of debt,
v: Corporate tax.

We do not assume that a company's debt financing alternative is unlimited. If the company's rate of returns on assets (ROA) is higher than the rate of interest on the loan, then its return on equity (ROE) will be higher than if it did not borrow. Additional debt will eventually increase financial risks. Increases in a company's debt/equity ratio lead to increases in financial leverages and financial risks. The debt/equity ratio increases when companies failure to pay.

Calculating the cost of equity is also a complex process. We must be aware of dividend, market price of stock and growth rate of stock. The cost of equity can be calculated under the following equation:

$$k_E = \frac{DIV}{P_O}$$

$k_E$ :Cost of equity,
DIV: Dividend,
$P_o$ : Market price of the equity

The reason we must assign a cost of capital to retained earnings is due to the opportunity cost principle. Stockholders lack alternative returns when they invest in stocks. So, the cost of equity represents an expected minimum profitability ratio by stockholders (Brigham, 1989).

The target proportions of debt, preferred stock and common equity are used to calculate the company's weighted average cost of capital (WACC):

$$k_{WACC} = k_D x\left(\frac{D}{D+E}\right)x(1-v_t) + k_E x\left(\frac{E}{D+E}\right)$$

$k_{WACC}$: weighted average cost of capital,
D : Amount of debt,
E : Amount of equity.

Some scholars have shown interest in the effect of political connections, their advantages and the financial differences of politically connected companies in relation to the companies' market value. Faccio (2007) found in her study that companies that cultivate political favours have higher leverage than non-connected ones. Her results indicate that connected companies profit from low taxation and higher market share.

- **Leverage** is defined as the ratio of total debt to total capital. Total capital represents the total investment in the company. Bunkanwanicha and Wiwattanakantang (2009) have examined politically connected companies that have higher leverage than non-connected ones in Taiwan. Khwaja and Mian (2005) have examined the same aspect in Pakistan.

- **Taxation:** The variable tax is defined as the ratio of Income Taxes / Pretax Income. Politically connected companies enjoy low taxation.

- **Market Share:** Market share is measured as the company's market value. Politically connected companies enjoy a higher market share.

- **Accounting Performance and Market Valuation:** ROE is defined as the ratio of Net Profit/ Total Equity. Chaney, Faccio and Parsley (2008) indicate in their study that the quality of reported accounting information is systematically poorer for companies with political connections than non-connected ones. They also check the

> effects of political connections on accounting information quality depend on characteristics of a company's ownership structure. Poorly performing companies may become politically connected for two reasons: First, they may look at connections as a way to obtain relief from some of their problems. Second, companies owned or managed by politicians may perform poorly because their managers lack the ability needed to run a company successfully.

Leverage ratio, income taxes / pretax income ratio, ROE and $k_E$ ratio are used in our analysis for financial variables.

One faces several limitations when analysing politically connected companies in Turkey. Although the number of companies which are politically connected but unquoted on the ISE is considerably high, it is extremely difficult to access their financial statements. This is due to the fact that there is no obligation for companies to publish their financial statements. For that reason, this analysis includes only twelve companies that are quoted on the ISE and whose names will not be disclosed. Out of this sample, five company directors have close relationships with the government, three company top directors are old members of the parliament, three company top directors are undersecretaries or consultants in parliament. One company's partner is also a political party. Politically unconnected companies, which are quoted in the ISE, were chosen randomly. For the period between 2005 and 2008, ninety-six data were used in the analysis. Forty-eight variables were used in the analysis.

## Analysis and Findings

A discriminant analysis is used in this study in order to determine which variables discriminate between two or more naturally occurring groups. *The* discriminant analysis could then be used to determine which variable(s) are the best predictors of the test (Nakip, 2003).

**Table 1:** Group Statistics

| SEBEP | | Mean | Std. Deviation | Valid (listwise) N | |
|---|---|---|---|---|---|
| | | | | Unweighted | Weighted |
| 1,00 | Leverage | ,5262 | ,2497 | 24 | 24,000 |
| | ROE | ,2188 | ,1888 | 24 | 24,000 |
| | Tax | ,1800 | ,1375 | 24 | 24,000 |
| | $k_E$ | 0,007 | 1,294E-02 | 24 | 24,000 |
| 2,00 | Leverage | ,3100 | ,1782 | 24 | 24,000 |
| | ROE | ,1358 | ,1201 | 24 | 24,000 |
| | Tax | ,1900 | ,1161 | 24 | 24,000 |
| | $k_E$ | 0,024 | 4,012E-02 | 24 | 24,000 |
| Total | Leverage | ,4181 | ,2408 | 48 | 48,000 |
| | ROE | ,1773 | ,1620 | 48 | 48,000 |
| | Tax | ,1850 | ,1260 | 48 | 48,000 |
| | $k_E$ | 1,600E-02 | 3,072E-02 | 48 | 48,000 |

Leverage and ROE variables discriminate two groups more than other factors. Besides, these standard deviations of leverage and ROE variables are high.

**Table 2:** Pooled within-groups matrices

| | | Leverage | ROE | Tax | $k_E$ |
|---|---|---|---|---|---|
| Correlation | Leverage | 1,000 | -,238 | ,015 | -,345 |
| | ROE | -,238 | 1,000 | ,187 | ,399 |
| | Tax | ,015 | ,187 | 1,000 | ,036 |
| | $k_E$ | -,345 | ,399 | ,036 | 1,000 |

Table 2 indicates the pooled within-groups matrices. The correlation between independent variables is low. This means that the model is consistent.

**Table 3:** Tests of equality of group means

| | Wilks' Lambda | F | df1 | df2 | Sig. |
|---|---|---|---|---|---|
| Leverage | ,794 | 11,929 | 1 | 46 | ,001 |
| ROE | ,933 | 3,297 | 1 | 46 | ,076 |
| Tax | ,998 | ,074 | 1 | 46 | ,787 |
| $k_E$ | ,922 | 3,903 | 1 | 46 | ,054 |

Table 3 indicates whether variables are statistically significant or insignificant between two groups. At 5% significance level, there are significant differences between two groups according to leverage and $k_E$ variables.

**Table 4:** Wilks' Lambda

| Test of Function(s) | Wilks' Lambda | Chi-square | df | Sig. |
|---|---|---|---|---|
| 1 | ,659 | 18,332 | 4 | ,001 |

Table 4 indicates whether the discriminant analysis is statistically significant or not. We can say that discriminant analysis is acceptable (Sig.<0,05).

**Table 5:** Standardized canonical discriminant function coefficients

| | Function |
|---|---|
| | 1 |
| Leverage | ,739 |
| ROE | ,764 |
| Tax | -,194 |
| $k_E$ | -,448 |

Table 5 indicates which variables discriminate between two groups. If coefficients of variables are higher than 0,30 then we can say that these variables discriminate between two groups. So, according to Table 5, leverage, ROE and $k_E$ variables are affective for discriminate between two groups. The tax variable is an ineffective variable for this analysis.

**Table 6:** Structure matrix

| | Function |
|---|---|
| | 1 |
| Leverage | ,708 |
| ROE | -,405 |
| Tax | ,372 |
| $k_E$ | -,056 |

Table 6 puts in order variables according to discrimination power. In this case, leverage is the most powerful and tax the weakest variable.

In Table 7 we can see that 20 out of 24 observations on politically connected companises were correct. However, in the second group, only 19 out of 24 observations were right. This means that 81,3% [(20+19)/48] of original grouped cases were correctly classified.

**Table 7:** Classification results

| | | | Predicted Group Membership | | |
|---|---|---|---|---|---|
| | | Reason | 1,00 | 2,00 | Total |
| Original | Count | 1,00 | 20 | 4 | 24 |
| | | 2,00 | 5 | 19 | 24 |
| | % | 1,00 | 83,3 | 16,7 | 100,0 |
| | | 2,00 | 20,8 | 79,2 | 100,0 |

81,3% of original grouped cases are correctly classified.

**Table 8:** Classification Results of Test Group

| | | | Predicted Group Membership | | |
|---|---|---|---|---|---|
| | | Reason | 1,00 | 2,00 | Total |
| Original | Count | 1,00 | 18 | 6 | 24 |
| | | 2,00 | 5 | 19 | 24 |
| | % | 1,00 | 75,0 | 25,0 | 100,0 |
| | | 2,00 | 20,8 | 79,2 | 100,0 |

77,1% of original grouped cases are correctly classified.

If the analysis' observations of correctly classified ratio are valid, it must be higher than the test observations' correctly classified ratio. In Table 8, the test group's correctly classified ratio is 77,1%. As 81% > 77,1% , we can say that the analysis is reliable.

Table 6 reports that the leverage variable is the most powerful variable for discriminate between two groups. When political connections are strong, politically connected companies' credibility is high. Therefore, we can say that politically connected companies prefer higher leverage and want to benefit from tax advantage of debt finance.

The tax variable's effect is lower than other variables to discriminate between two groups in the analysis. In finance, through some instruments which are based on balance sheet politics, companies can reduce their profits. Reserves for depreciations, hidden reserves, reserves for contingencies and so forth reduce profits. These tax-avoidance strategies may be used by the connected companies. However, the size of the sample in this study may be insufficient for this variable.

There is only one optimal capital structure for companies in traditional approach. Optimal capital structure is the mix of debt and equity that maximizes the value of the company and minimizes the cost of capital. According to the modern finance approach, a finance manager's role is to maximize his company's value. So, the cost of equity is a variable which is used to discriminate between

politically connected companies and unconnected ones. Boubakri, Guedhami, Mishra and Saffar (2009) indicate in their study that companies with political ties have a lower equity cost than politically unconnected ones. In the case of Turkey, evidence suggests that the equity-cost variable is the most powerful variable after the leverage variable for discriminate between two groups. We can see that politically connected companies have a lower cost of equity in Table 1 and 6. The cost of equity represents the expected minimum profitability ratio by stockholders. Political connections are important for companies in financial crisis and payment difficulties. Also, the benefit from political connection is bigger than its cost. For these reasons, shareholders of the company expect a lower return from the company.

The ROE variable is another variable to discriminate between two groups. Looking at the Turkish case, it is possible to infer that politically connected companies have a higher return on equity. This is mainly because political connections give satisfactory benefits to their shareholders.

## Conclusion

Before evaluating or analysing the results of this study, Turkey's political, economic, legal and social conditions should be considered. The analysis focuses on the period between 2005 and 2008. In this period, Turkey has been run by a single-party government (the Justice and Developement Party – AKP) and not a coalition government.

In almost every country, particularly the ones at earlier stages of the democratic experience, single-party governments are taken with caution. For Turkey the decision of having a single-party government can be crucial, especially for a secular Muslim country with great geopolitical significance, as it connects Asia with Europe.

During the period of the AKP government, "Light House" lawsuit has been raised and the ATV (private Turkish TV channel) and Sabah (private Turkish newspaper) media groups were sold by Savings Deposit Insurance Fund (SDIF) to a politically connected company which has transferred funds to a government account (Mollaveisoglu, 2008). A record-level tax penalty, which was issued to the Dogan Media Group by the AKP government, should be mentioned as another example.

There are some challenges regarding the analysis, which are related to politically connected companies in Turkey. The analysis only includes companies that are quoted on the Istanbul Stock Exchange (ISE) for the 2005-2008 period. Although the number of politically connected companies that are unquoted on the ISE is considerably high, it is difficult to gain access to their financial statements as they are not obliged to publish their financial figures. Accordingly, this analysis includes only companies that are quoted on the ISE and whose names will be kept secret.

After the general framing we can deduce the following results from this analysis:

- Politically connected companies have higher leverage than non-connected ones. So, it can be said that politically connected companies want to benefit from the leverage effect and tax deductible advantage of debt. If a company's ROA is higher than the rate of interest on the loan, then its ROE will be higher when the company chooses debt financing. Interest payments can be deducted from taxes which provides an advantage to the company.

- In Turkey's case, we can see that the equity cost equity variable is the most powerful variable after the leverage variable for discriminate between two groups. The ROE variable is higher in connected companies than unconnected ones. Political connections give satisfactory benefits to shareholders.

## Notes

1. See www.tbmm.gov.tr for a list of individuals who appear to have links to the government.
2. See www.imkb.gov.tr for a list of top company directors.

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