
Journal of
Global Change and Governance

***Symposium on
Conflict, Cooperation & Security
in the New Century***

**27 March 2009
Rutgers University-Newark**

**Conference Venue: Dana Room, 4th Floor, Dana Library,
Rutgers University-Newark**

Symposium Program

9:30-10:00 AM

Registration and Breakfast Reception

10:00-12:00 AM

Panel One: Connecting to the Global Economy

12:00-12:30 PM:

Keynote Address: Dr. Simon Reich, Director, Division of Global Affairs

12:30-1:30 PM

Luncheon

1:30-2:45 PM

Panel Two: Authority Vacuums and Sub-State Conflict

2:45-3:00 PM

Coffee Break

3:00-4:30 PM

Panel Three: Improving the World Economy Through Cooperation

4:30-4:45 PM

Coffee Break

4:45-6:00 PM

Panel Four: The Rule of Law, Peace and Security in Africa

Panel One: Connecting to the Global Economy

Chair and Discussant- Dr. Philip G. Cerny

Reorganizing Global Finance in the Absence of Hegemony: Prospects and Problems

Shaun Searson, Division of Global Affairs, Rutgers University

At the core of contemporary global economic upheaval are two crises: a financial crisis originating in credit markets and a much deeper macroeconomic crisis that threatens the very basis of the world economy. This broader crisis is primarily revealed through severe macroeconomic imbalances and the resulting distortions in the global monetary and financial systems. In turn, fundamental structural transformation is necessary for any desired return to a fully functioning global financial system. However, macroeconomic imbalances simultaneously reveal important coeval shifts in today's global economy that may potentially aggravate such extensive transformations – that is, the world economy is continuing its long multipolar drift away from American primacy. The current trajectory towards a more inclusive global economy is nearly opposite the condition held as sufficient for broad, meaningful economic structural transformation to occur by many political economists: hegemony. With this in mind, this paper asks whether or not today's global financial system is capable of engendering crucial structural transformations in the absence of hegemony. In the end, this paper argues that the prospects for reorganizing contemporary global finance are limited and many of the limitations are borne out of issues associated with hegemonic absence.

Economic Development and the Containerization of Trade - the Impact on Developing Countries

William Laventhal, Division of Global Affairs, Rutgers University

The restructuring of the international economy and development of global supply chains has altered the routes and manner in which goods are traded. The port infrastructure that connects economies to the system of global trade has changed significantly in response to the containerization of manufactured trade. The financing of port development has also evolved as governments have transferred investment responsibilities to the private sector. This presentation proposes that changes in the global economy, maritime industry, and port financing models have created barriers to port development for countries on the global periphery. While this presentation recognizes that port infrastructure is not the only determinant of economic development, it stresses that these barriers have a direct influence on a country's ability participate in multinational production processes.

Remittances - Development Impact on Immigrant Countries

Tanu Kohli, Department of Economics, Rutgers University

Migrant remittances have turned out to be a fairly stable source of finance for developing countries. The advent of information and telecommunications technologies has rendered the transfer of these funds cheaper, faster and much safer. These developments have led to a tremendous jump in the volume of officially transferred remittances. Policy makers might use this source of funding in an effort to integrate developing countries into the world economy. This paper conducts such a comparative study to reach conclusions about how developing countries have used remittances to foster further economic growth and further the process regarding their global integration.

A Political Economy Perspective on Adopting Free Market Economics in Syria

Ghaidaa Hetou, Division of Global Affairs, Rutgers University

As economies around the world converge toward capitalist standards, countries like Syria contend with a series of socio-political and economic dilemmas. Country-specific and regional economic and political developments in some parts of the Middle East do not provide the prerequisites for adopting a competitive market economy. Yet, international standards demand this convergence. Syria is taken as a case study of Middle Eastern countries with a previous history of a centrally planned economy. This presentation will examine Syria's underlying political and economic features, which have prevented the country from adopting free market principles. At the same time, Syria's economic development since 1970 will be contrasted with those exhibited by free market economies. After Syria's distinctive political economy development has been delineated, this presentation will infer the suitability of a state capitalism model in Syria.

Keynote Address

**Dr. Simon Reich, Director, Division of Global Affairs
Rutgers University**



Dr. Simon Reich (Ph.D., MA, Cornell University) is Director of the Division of Global Affairs. Dr. Reich has held a faculty appointment as a Professor at the Graduate School of Public and International Affairs University of Pittsburgh since 1987. He was the director of research and analysis for the Royal Institute of International Affairs at Chatham House in England in 2000-01, and he has been awarded the prestigious Council on Foreign Relations International Affairs Fellowship, as well as fellowships from the Kellogg Foundation, the Alfred P. Sloan Foundation, the American Institute for Contemporary German Studies, and numerous other organizations. He is a former president of the International Political Economy Section of the International Studies Association. Professor Reich wrote *The Fruits of Fascism: Postwar Prosperity in Historical Perspective* (Cornell University Press, 1990); he has coauthored three books, one of them — *The Myth of the Global Corporation* (Princeton University Press, 1998)-with William Keller; and he has coauthored two major government reports — *Multinationals and the U.S. Technology Base* (Office of Technology Assessment, 1994) and *Multinational Corporations and the National Interest* (Office of Technology Assessment, 1993). He is the author of numerous journal articles and book chapters.

Panel Two: Authority Vacuums and Sub-State Conflict

Chair and Discussant- Dr. Robert Saunders

Beyond the Democratic Theory: Exploring Authoritarian Liberalisms in Central Asia

Assel Rustemova, Division of Global Affairs, Rutgers University

There is a seeming paradox in regards to the democratization process that we observe in Central Asia. Political regimes in Kazakhstan and Uzbekistan have become politically more authoritarian while economically more liberal. This process is prominent not only in Central Asia, but exists with some reservations in the Caucasus. So where did the democratic theory go wrong? Why Central Asia dropped out of the fourth wave of democratization and created stable authoritarian political regimes despite the lack of freedoms and respect of human rights? After examining the democratic argument that had prevailed at the beginning of the 1990s this paper argues that the theory collapses multiple definitions of political and economic liberalisms in its analysis of the political processes in Central Asia.

Branding Osama: How Al Qaeda Built a Global Brand and the Ramifications for the Foreign Policy Community

Dr. Robert A. Saunders, Farmingdale State College-SUNY

In the wake of the 11 September attacks, significant numbers of youth from Malaysia to Nepal to Cambodia donned Osama bin Laden t-shirts. It was clear that the Saudi-born terrorist had become an international brand, signifying (among other things): violent opposition to Israel and the United States; an alternate form of political Islam; and rejection of Western-imposed globalization on the Third World. Like Che Guevara before him, bin Laden's face now became synonymous with revolution. While counter-terrorist image-making, nation branding, and cultural marketing have been a subject of intense scholarship since 2001, less work has been done on the efforts of international Islamist terrorists to brand their campaigns, organizations, and ultimate goals. Using analytical techniques adapted from the fields of cultural branding and international business management, this paper explores the image-making, branding, and marketing efforts of al Qaeda. My aim is to understand the variety of methods that the organization uses to "speak" to its various audiences (enemies and allies, alike), as well as the efficacy of such discourses. I focus on nomenclature, the mass mediation of terror campaigns through imagery and discursive manipulation, and the use of guerrilla and corporate-style marketing by al Qaeda and similar organizations to attract members and influence their constituencies.

Pakistan's FATA, Transnational Terrorism and the Global Development Model

Anita Demkiv, Division of Global Affairs, Rutgers University

The concerns regarding Pakistan's instability—the increasing influence of the Taliban and radicals, and an fragile nuclear country—have led to debate as to the optimal, systematic approach to simultaneously bolstering the Zardari government and also stymieing the encroachment of the Taliban in Pakistan and Afghanistan. In particular, the unrest in the Federally Administrated Tribal Agencies (FATA) has called into question whether or not Pakistan is a failed state, or simply plagued by an authority vacuum in the FATA that has implications beyond Pakistan's border that include providing a safe haven to global terrorist organizations. Through an overview of the ongoing challenges in the FATA region, and Pakistan in general, a development model is proposed to at least partially thwart the expanding influence of the Taliban in Pakistan and enable the Zardari government to reassert its legitimacy.

Panel Three: Improving the World Economy Through Cooperation

Chair and Discussant- Dr. Carlos Seiglie, Department of Economics, Rutgers University

The Effect of International Capital Movements on Structural Imbalances in the World Economy

Miodrag Kapor, Division of Global Affairs, Rutgers University

The International Monetary System (IMS) continues to be discussed among economists. Some favor flexibility while others prefer a more stable exchange rate system. As a consequence of today's major structural economic imbalances, the value of the Dollar should devalue against the world's other major currencies. Estimates range from 10 to 20 percent when values of the dollar emanating from 2007 are considered. In this paper, an argument is presented that major world economies should gear their efforts toward controlling large fluctuations between their respective currencies. This, in turn, could alleviate some of the risk for potential investors. On the other hand, the vast majority of developing countries should place some control over capital inflows into their respective countries while maintaining relatively independent monetary policies by allowing fluctuations of their currencies.

The Erosion of Civil Authority in Financial Rule-Making

Mark Foley, Division of Global Affairs, Rutgers University

The globalization of finance both enabled and masked unsustainable macroeconomic imbalances caused by the globalization of production and the attendant dislocations of purchasing power, savings and consumption. The major industrial trading blocks were and are unwilling to make the adjustments required to achieve balance, and the collective solution has been mutual and persistent tolerance of imbalances to preserve the status quo rather than experience short-term economic dislocations. Government inaction notwithstanding, the imbalances would not have been tolerated by the private markets without the gradual erosion of governmental regulatory authority, facilitated by the willingness of governments to cede regulatory authority to private sector specialists such as rating agencies and professional associations. Another necessary condition was what Willem Buiter calls 'cognitive regulatory capture', which enabled regulators (at least in the US and Europe) to become 'partners' of regulated enterprises and to adopt the same world view, with disastrous results. The presentation will give examples of how rule-making authority migrated away from civil control to that of private interests, and will look at some possible implications for the future.

The Future of Hedge Fund Regulation

Ralph Humphrey, Rutgers School of Law

Hedge funds have been increasingly in the news during that past few months amid trepidation in capital and equity markets. Against this backdrop comes much debate about the future of regulating the financial sector as a whole and hedge funds in particular. Heavy regulation of hedge funds, however, would be unwarranted. As in other contexts, whenever there is greater regulation, there is the potential for the slowing of innovation. This presentation seeks to demonstrate that heavy regulation of hedge funds is unnecessary and proposes several improvements to the current regulatory system.

Panel Four: The Rule of Law, Peace and Security in Africa

Chair- Dr. Said S. Samatar, Department of History, Rutgers University-Newark

Discussant- Brigadier General (Ret.) Richard M. O'Meara

Why Somalia is Not a Territory for Islamic Terrorists

Dr. Said S. Samatar, Rutgers/NJIT Federated Department of History, Rutgers University

Focus on the problems of Somali piracy on the Red Sea and the Indian Ocean. I'll try to describe the impact of this unusual Somali pirate enterprise in the region.

Afro-Arab cooperation for peace and security management in Africa

Setsuko Tamara, Ph.D. Candidate, Division of Global Affairs

My paper explores the Afro-Arab cooperation for peace and security management in Africa within the institutional framework of the African Union (AU) and the preceding Organization of African Unity. Although European identity is one of the most popular topics in the public and academic debates over European integration, the topic of African identity receives little attention, or is presupposed as "Black African identity." Nonetheless, the OAU-AU has been an Afro-Arab entity that includes Northern Arab states, Afro-Arab borderland states and sub-Saharan Black African states. I assume that racial-cultural state identity of "Arab" or "Black Africa" becomes a determinant of foreign policy of the AU member states when it matters in a particular historical, political and geo-strategic context. From this perspective, my paper discusses some security management cases, in which state identity manifests and affects the institutional development process of the OAU-AU. The selected cases are: 1) the AU and G4 (Group of 4: Brazil, Germany, India and Japan)-led United Nations Security Council reform initiative; 2) Conflicts in the Horn of Africa; and 3) Western Sahara Question.

The Ghanaian Dutch Paradigm: Touting the "Rule-of-Law" as a Means to End Poverty or is it Just Business as Usual?

Osato Chitou, Rutgers School of Law

In implementing the many rule of law programs of recent years, rule of law specialists have failed to specify how change occurs. Through critical analysis of the rule of law, this paper attempts to dismantle the myths surrounding rule-of-law. These myths will be analyzed by examining a current rule-of-law implementation program in Ghana, West Africa, a country that has witnessed an explosion of foreign investment when compared to its neighbors. Support from the Danish Ministry of Foreign Affairs in the tune of seventy billion dollars, has been used to design and support legal and judicial reform, through Component 1 of the Business Sector Programme Support (BSPS). Modification of the legal sector is presumed to facilitate Ghana's Poverty Reduction Strategy. Component 1 of the BSPS is designed to strengthen the "responsiveness, accessibility, and efficiency of the legal and judicial environment for business in Ghana." Through this

analysis, this note will demonstrate that strengthening the legislative regulatory environment in Ghana is not out of concern for the access to judicial redress for all segments of the population which in turn may facilitate an impact on State poverty reduction, but rather, is another veiled approach to support Danish business interests in the region.

Where Have all the Soldiers Gone?: Reflection on DDR Programs in West Africa

Brigadier General (Ret.) Richard M. O'Meara, Division of Global Affairs,
Rutgers University

The international community has been involved in post-conflict Disarmament, Demobilization and Reintegration operations (DDR) since the late 1980s with varying degrees of success. The process refers to the demilitarization of official and unofficial armed groups by controlling and reducing the possession and use of arms, by disbanding non-state armed groups and rightsizing security services while assisting former combatants to reintegrate into civilian life. Goals for these types of operations include the creation of environments in which the overall peace process can succeed as well as reconciliation, social and economic rehabilitation and development. Experience demonstrates that these operations require a serious level of experience; further they require considerable involvement by multiple members of the international community. Finally, done properly, they are not cheap. The primary goal of these operations, this paper argues, must be to contribute to the short-term and long-term security environment. With examples from operations which have occurred in West African nations, this paper discusses the challenges which exist when DDR are undertaken and the ramifications which occur when these operations fail.

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