

ISSUES IN PERSPECTIVE

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17-18 May 2008

PERSPECTIVE NUMBER ONE

GLOBALISM OR NATIONALISM?

A few years ago I read Tom Friedman's insightful and rather powerful book, *The World is Flat*. Among other things, Friedman argued that due to technology, international trade and the rise of Asia, the nation state was becoming more and more irrelevant and globalization was the wave of the future. Some recent trends and developments are bringing that entire thesis under severe scrutiny. In this *Perspective*, I hope to test the thesis. In a recent article in the *Wall Street Journal* by Bob Davis, some of the global trends that Friedman observed are being overcome by good old nationalism. Allow me to summarize some of Davis's salient points.

1. Sovereign Wealth Funds. There are now state-funded investment pools from Asia and the Middle East that are shaping the future of international finance and propping up wobbly financial institutions in the United States and Europe. These have the interests of the sovereign state at heart, not global finance.
2. Since 9/11, the world has been focused on security concerns that can only be addressed by national governments. And certain states are asserting their national power, arguing that it is in the interest of national security. Consider Venezuela nationalizing oil fields and Russia cutting off natural gas supplies to Western Europe.
3. National boundaries and regulations are going up over the Internet. Pressured by Russia, China, India and Saudi Arabia, the US company that assigns Internet addresses is working on ways for countries to use characters from their home languages. Although it will aid these countries in navigating the Web, it will also place many sites behind curtains to users from abroad. Davis writes: "That would spell the end of the days when anyone with a keyboard that produces Latin letters can see sites in any land—essentially taking the 'world-wide' out of the World Wide Web."
4. Immigration is causing a severe backlash in some countries. Consider Burmese in India, Haitians throughout the Caribbean, Bolivians in Argentina and Zimbabweans in South Africa. This is to say nothing of Hispanics in the US.
5. High food prices are prompting governments to erect new export barriers where none had existed. Davis writes: "In the past, developing nations essentially ratified global trade deals negotiated by the US and Europe. But Brazil, India and China are no longer following that script." Protectionism is back!
6. Under most global trade deals, developing countries have the right to override patents in emergencies, but few have ever done so. Pharmaceutical companies such as Merck are finding that some countries (e.g., Brazil) are now doing just that. Some drugs can

be made more cheaply within the borders of a nation and do not need to be imported. Although technically a violation of a patent, national self-interest is dictating such actions.

7. Energy companies are feeling the effects of the new nationalism. Consider that since 2004, Russia, Venezuela, Bolivia and Ecuador have nationalized foreign-owned oil assets.
8. Many national governments are raising barriers against foreign investment of many types. China and Russia are staking out “strategic sectors” where foreign investment would be restricted.
9. Many nations are now questioning the wisdom of the Kyoto Protocols, which supposedly are to reduce greenhouse gases from polluting the atmosphere. But with the US not signing the Protocols and with China and India exempt, national governments are questioning the wisdom of adhering to this agreement.

The end result of all these trends is that we will probably see greater immigration restriction, more difficulty reaching global accords of any kind and increased protectionism when it comes to international trade. Was Tom Friedman wrong? No, not necessarily. But the vision of a global, well-integrated economic engine will need some refining. Strong nationalism is in clear resurgence and the benefits of globalization are being questioned. Raw provincialism is trumping the benefits of internationalism—at least for the short term.

See Bob Davis, “Global Ties under Stress as Nations Grab Power” in the *Wall Street Journal* (28 April 2008).

PERSPECTIVE NUMBER TWO

ISRAEL BASHING AMONG SCHOLARS AND THE UN

One of the major themes of this past year on *Issues* has been the incredibly unfair treatment Israel has received from major international organizations. Consider two recent examples.

- First, the Middle East Studies Association (MESA). This scholarly organization has been “stiflingly politicized” as it engages in Israel-bashing and blaming America relentlessly for almost everything wrong in the world. Its website has links to the society’s many denunciations of Israel and its defense of such controversial academics as Rashid Khalidi, an apologist for the PLO and a member of Columbia University’s faculty. At last year’s meeting in Montreal, there were 11 panels devoted solely to Palestinian grievances. Tristan Mabry, of Georgetown University, argues that “the No. 1 issue that dominates MESA is always Israel, and even if you’re not interested in Israel, where you stand on Israel is always a litmus test.” It is being challenged and perhaps eventually replaced by a new organization, The Association for the Study of the Middle East and Africa (ASMEA). ASMEA now claims over 500 members and will soon publish its own scholarly journal. Founded by Bernard Lewis, ASMEA seeks to give a truly scholarly and balanced approach to Middle

Eastern studies. It is a welcome breath of fresh air. (See Charlotte Allen, in the *Wall Street Journal* [2 May 2008].)

- Second, the UN Human Rights Council. Begun less than two years ago, the Human Rights Council was to replace the more highly politicized UN Commission on Human Rights. But that dream is dead. Dominated by the Organization of the Islamic Conference and the Non-Aligned Movement, this new body is just as bent on Israel-bashing as its predecessor. Further, it has included members from nations that are serial human rights abusers and it has failed to protect the integrity of the Office of the High Commissioner on Human Rights. It has also supported a resolution backed by Russia and China that supports the limitation of free speech out of “respect for religions and beliefs.” The Human Rights Council meets for at least ten weeks a year in three regular sessions, plus “special” sessions, called by at least one-third of members, as the need arises. Hence the Islamic states have used this procedure to single out Israel. Four of the six special sessions called so far, and almost all the single-country resolutions, have been devoted to Israel. There has not been one special session on human rights issues in China, Zimbabwe, Iran, Pakistan, etc. The UN secretary-general, Ban Ki-moon has suggested that “I would appreciate it if the council will be looking with the same level of attention and urgency at all other matters around the world.” How true!! See *The Economist* (26 April 20-08), pp. 77-78.
- Finally, I cannot leave this issue without mentioning Darfur. Over one year ago, the International Criminal Court judges issued arrest warrants for two men involved in the massive, ongoing atrocities in the Darfur region of western Sudan: Former state minister of the interior, Ahmed Haroun, and Ali Kushayb, a key leader of the brutal Arab militia known as Janjaweed. Both men are charged with war crimes and crimes against humanity. The evidence on both men is overwhelming, including numerous eyewitness accounts from victims and compelling documentary evidence. However, the government of Sudan refuses to extradite these men or to prosecute them. Actress Mia Farrow and author Eric Reeves report the following: “More than five years have passed since the Khartoum regime and its Janjaweed allies launched their campaign of destruction against the non-Arab populations of Darfur. The savagery of the attacks upon civilians, the torched villages, mass murders, rapes, abductions and mutilations have made the word Darfur synonymous with human suffering. More than 2.5 million people have fled from their burning homes in terror, seeking tenuous refuge in wretched camps across Darfur and eastern Chad.” The challenge here is that the ICC has no police authority to arrest criminals. Instead, it depends on the UN Security Council for the authority to issue arrest warrants. But China and Russia will not permit this! They themselves are therefore complicit in these crimes against humanity. At the heart of our God is a concern for justice. The ICC and the UN should hang their heads in shame for what they are permitting to continue in Darfur. Even more serious is the complicity of China and Russia. Shame on them for their sanctioning of such war crimes! It is an affront to Almighty God—and the Bible tells us that He will hold these nations accountable. See the editorial by Farrow and Reeves in the *Wall Street Journal* (1 May 2008).

PERSPECTIVE NUMBER THREE

OIL DRILLING AND THE UNITED STATES

The price of oil is near \$120 per barrel on the world market. We are all feeling its impact in the price of gasoline and heating oil, plus the cost of goods delivered by truck is increasing. Therefore, inflationary pressures will grow. What to do?

Few Americans realize that the US is the third largest oil producer in the world, after Saudi Arabia and Russia. We could easily increase oil production, but Congress has placed large areas of potential oil supply off limits. Economist Robert Samuelson argues that “These include the Atlantic and Pacific coasts and parts of Alaska and the Gulf of Mexico. By government estimates, these areas contain 25 to 30 billion barrels of oil (against about 30 billion barrels of proven US reserves today) and 80 trillion cubic feet or more of natural gas (compared with about 200 tcf feet of proven reserves). What keep these areas closed are exaggerated environmental fears, strong prejudice against oil companies and sheer stupidity.”

The US imports about 60% of its oil needs, up from 42% in 1990. The world uses 86 million barrels per day, up from 67 mbd in 1990. Obviously, that figure will increase. The fundamental cause of increased prices for oil is increased demand, so that the world’s surplus production capacity is virtually exhausted. What is the solution? In one sense it is profoundly simple! Increase supply and reduce demand. As I mentioned on last week’s *Issues*, we must seek alternative energy sources—solar and wind come to mind. More fuel efficient vehicles are also sensible, but to stretch out the energy renewal plan to 2020 as Congress just did is too generous. But it is also obvious that the US simply must increase its oil production. As Samuelson reports, “Estimates indicate that production from the Arctic National Wildlife Refuge might equal almost 5% of present US oil use.” The US is hypocritical when it complains that other countries limit access to their oil reserves when we are doing just that! Listen to Samuelson again: “On environmental grounds, the alternatives to more drilling are usually worse. Subsidies for ethanol made from corn have increased food prices and used scarce water, with few benefits. If oil is imported, it’s vulnerable to tanker spills. By contrast, local production is probably safer. There were 4,000 platforms operating in The Gulf of Mexico when hurricanes Katrina and Rita hit. Despite extensive damage, there were no major oil spills. . .” To change the laws and begin production in the areas of US reserves is a decades-long project. If the US Congress is serious about dependence on foreign oil and if the current candidates for president are serious about dependence on foreign oil, oil drilling in the remarkable reserves within our own boundaries must be part of the solution. If we ignore this part of the solution, dependence on the nations who are actually our enemies will grow. And with that will go increased dangers that accompany this dependence. Our politicians and governmental leaders lack the vision and the temerity to do what needs to be done. As with many things, we are facing a disaster, much of which is of our own making.

See Robert Samuelson in the *Washington Post* (30 April 2008).