Quantitative World System Studies Contradict Current Islamophobia: World Political Cycles, Global Terrorism, and World Development

Arno Tausch*

Abstract

In this article, we draw some optimistic, socio-liberal conclusions about Islam in the world system. Countering some alarmist voices in the West, neither migration nor Muslim culture are to be blamed for the contemporary crisis, but the very nature of unequal capitalist accumulation and dependency that is at the core of the world capitalist system.

For one, our analysis is based on current thinking on Kondratiev waves of world political development inherent in recent work by IIASA and the NATO Institute for Advanced Studies. First we present a rigorous re-analysis of United States Department of State data on acts of global terrorism in the framework of Kondratiev cycle waves.

The data presented show that before the present war in Iraq the global war on terrorism already showed very positive effects, and that the strong linear downward trend in global terrorism, to be observed during the last two decades, coincided with rising globalization in both the centers and the peripheries of the world system, and that the percentage of people with less than 2 $ a day even declined in the Middle East and North Africa. We also found no systematic interaction between the differentials of growth in the center and the periphery or inequality differentials in the center and the periphery and patterns of global terrorism. I. e. a western socio-liberal, multi-lateral and non-interventionist policy could have won the fight against international terrorism. We then refute empirically the Huntington hypothesis about the incompatibility of Islam and successful socio-economic development.
Winning the war against global terrorism would imply arriving at more inclusive and less unilateralist structures of global governance. While our analysis on world development 1990 – 2003 shows the detrimental effects of dependency and globalization on the social and ecological balances of the world, data on membership in the Organization of the Islamic Conference or Muslims per cent of total population were compared in their effects on a number of dependent variables of socio-economic development in 140 countries of the world with complete data:

- economic growth, 1990-2003
- eco-social market economy (GDP output per kg energy use)
- female economic activity rate as % of male economic activity rate
- freedom from % people not expected to survive age 60
- freedom from a high quintile ratio (share of income/consumption richest 20% to poorest 20%)
- freedom from civil liberty violations, 1998
- freedom from high CO2 emissions per capita
- freedom from political rights violations, 1998
- human development Index
- life expectancy, 1995-2000

*Ceteris paribus, Muslim culture* (measured by the percentage of Muslims in the respective population of a given country) significantly and positively affects the human rights record, human development, and the ecological balances.

**Introduction**

First of all, we have to start by saying that not Islam, but the very nature of the global capitalist system is leading to conflict, and there would be violent conflicts in the world system even if there were no Muslim nations at all.

The new insights on the structures of the contemporary crisis are quantitative developments of the “critical political economy” of the late 19th and the early 20th Century, largely connected with such names as Otto Bauer, Nikolai Kondratiev and Rosa Luxemburg. For reasons of space, only some very general ideas about the results can be presented, and interested readers are referred to a recent publication (Tausch and associates, 2006) with the full details that document our mathematical-statistical effort.
It cannot be precluded that patterns of global terrorism correspond to the more general swings of world politics and economics that are being intensly studied by world scholarship. The idea of global cycles goes back to the Russian statistician Nikolai Kondratiev. For one, Nikolai Kondratiev’s work and personality now received due international attention. Although many contemporary economists treat the legacy of Kondratiev with utter contempt, Louçã could show that several major figures of economics of the 20th Century, among them Economic Nobel Prize winners, were deeply impressed by Kondratiev’s research. It suffices to mention here not just Joseph Alois Schumpeter and also in a way Simon Kuznets, but Ragnar Frisch; Gottfried Haberler; Alvin H. Hansen; Walt Rostow; and Jan Tinbergen. The revival of Kondratiev research in the 1960s and beyond is linked to the simulation efforts of Jay Forrester at the MIT in the context of his world-modeling for the Club of Rome. IIASA developed a highly sophisticated debate on the issue, centered mainly around the works of the physicist Cesare Marchetti and the Portuguese systems scientist Tessaleno Devezas. Devezas’ research is particularly noteworthy here, because it combines sociological insights into values and generations with the mathematics of cyclical swings in economics and demography. Forrester reproduced a 50 year pattern for the US-economy, based on his System Dynamics National Model (NM-model) which is based on 15 sectors. Marchetti moved the debate away from price series to physical quantities, including production and energy consumption. Unfortunately, as sophisticated and statistically satisfying as this IIASA debate might sound, it has been rather overlooked by both the mostly Marxist and world system supporters of Kondratiev waves and also by their economist detractors.

There are short term instabilities of 3 to 5 years duration (Kitchin cycles), 8-11 years duration (Juglar cycles), 18-22 years duration (Kuznets waves), and longer, 40-60 year Kondratiev waves. The following dating scheme could be suggested in the light of the Schumpeterian theory tradition. Global capitalism since 1740 had the following Kuznets cycles (our calculations based on the untransformed rates of global industrial production growth, 1740 – 2004), based on polynomial expressions of the 6th order:

1741-1756; \( R^2 = 23.5\% \)
1756-1774; \( R^2 = 36.1\% \)
1774-1793; \( R^2 = 34.8\% \)
1793-1812; \( R^2 = 39.7\% \)
1812-1832; \( R^2 = 16.4\% \)
1832-1862; \( R^2 = 25.7\% \)
We tended to analyze the period between 1756 and 1832 as the 1st Kondratiev cycle of the industrial age, the period between 1832 and 1885 as the 2nd Kondratiev cycle, the period between 1885 and 1932 as the 3rd Kondratiev cycle, and the period between 1932 and 1975 as the 4th Kondratiev cycle. So, according to this logic, we are now in the 5th Kondratiev cycle of the industrial age, with one Kuznets cycle after the depression of the mid-1970s already well behind us, and the second Kuznets cycle since 1992 pointing in a downward direction. The long cycle literature tells us why there is a recurrent pattern of instability in the social orders both at the level of national society as well as at the level of the international system.

Our tests that we report in Tausch 2007 show that our Bornschier dating scheme much better corresponds to the structure of world production data than the alternative, proposed by Goldstein. This scheme is in line with the dating scheme proposed by Joshua Goldstein, Phil O’Hara, and Ernest Mandel, among many others. However this dating scheme might very well correspond to the movement of prices.

For us 1756, 1832, 1885, 1932 and 1975 are the beginnings of new Kondratiev waves, while 1756, 1774, 1793, 1812, 1832, 1862, 1885, 1908, 1932, 1958, 1975, and 1992 are the turning points (troughs) of the Kuznets cycles.

It also should be noted that the hypothesis about B-phases of the Kondratiev waves – a very strong linear or non-linear down-ward swing of about 20 years duration, - receives at least some direct confirmation from the untransformed, original new world industrial production growth data, based on Goldstein (1740 – 1974 and UNIDO Statistical Office, 1975 – 2004). Working with a polynomial expression of the 3rd order, we arrive at the following R^2 for our B-phases of the Kondratiev waves. For all 20 year periods before our measurement points, the B-phase-hypotheses are confirmed:

<table>
<thead>
<tr>
<th>Period</th>
<th>R^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>pre-1756</td>
<td>12, 8 %</td>
</tr>
<tr>
<td>pre-1832</td>
<td>6, 5 %</td>
</tr>
<tr>
<td>pre-1885</td>
<td>8, 9 %</td>
</tr>
<tr>
<td>pre-1932</td>
<td>41, 8 %</td>
</tr>
<tr>
<td>pre-1975</td>
<td>28, 4 %</td>
</tr>
</tbody>
</table>
Although we date the trough in the 1830s earlier than Bornschier, we coincide with his analysis of the 19th Century and large sections of the 20th Century. Having been written originally in the late 1980s, Bornschier’s work is somewhat unclear about the crisis in the last part of the 20th Century; we always believed that the culmination point of the stagnation from 1973 onwards was overcome by the Reagan boom of the 1980s and the Clinton period boom. We somewhat differ with other world system scholars on the dating game, for sure:

Table 1: The Kondratiev cycle dating game

a) untransformed original data

<table>
<thead>
<tr>
<th>Kondratiev</th>
<th>O’Hara</th>
<th>Tausch</th>
<th>Dates suggested by sliding correlation method</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>1779-1847</td>
<td>1756-1832</td>
<td>1756-1819</td>
</tr>
<tr>
<td>2nd</td>
<td>1847-1893</td>
<td>1832-1885</td>
<td>1819-1862</td>
</tr>
<tr>
<td>3rd</td>
<td>1893-1931</td>
<td>1885-1932</td>
<td>1862-1918</td>
</tr>
</tbody>
</table>

| R^2 1st K  | 2,59   | 3,25   | 4,43 |
| R^2 2nd K  | 4,68   | 1,5    | 15,77 |
| R^2 3rd K  | 24,66  | 28,71  | 7,39 |
| R^2 4th K  | 8,01   | 9,34   | 5,59 |
| R^2 5th K  | 33,7   | 6,32   | 23,14 |

b) 9-year sliding averages

<table>
<thead>
<tr>
<th>Kondratiev</th>
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<td>1885-1932</td>
<td>1862-1918</td>
</tr>
</tbody>
</table>

| R^2 1st K  | 32,6   | 41,3   | 45,6 |
| R^2 2nd K  | 25,2   | 15,3   | 27,2 |
| R^2 3rd K  | 50,0   | 43,8   | 65,6 |
| R^2 4th K  | 27,7   | 39,6   | 32,7 |
| R^2 5th K  | 91,9   | 70,2   | 92,0 |
One of the most intriguing features of world systems theory is its prediction of the recurrence of global wars in the world capitalist system. By re-analyzing latest conflict data (great power battle fatalities from all wars, Goldstein, 1988 and COW/PRIO, 2005) from 1495 to 2002 and as yet unpublished UNIDO data about the growth of world industrial production 1740 – 2004 it was shown that the long Kuznets and Kondratiev swings and cycles of capitalist world development that play such an important role in the analysis of global war since 1495 have indeed not ended after the end of Communism, and that instability, and not stability, characterize the world economy, and that there is an indented “W” shaped pattern of global conflict since 1495 that did not end with the end of the Cold War (Tausch, 2007). It is thus utterly unfair to blame “Islam” for the conflict structure in world society. Rather, these conflicts correspond to the contradictory nature of the very system as it evolved since the long 16th Century.

By now, we all know very well today that there were voices that predicted the “end of history” in the 1990s. The world systems approach always took a more cautious line and would never preclude – at least in principle – a repetition of the insane economic cycles and major power rivalries that characterized the course of history since 1450 and which produced three devastating global wars, 1618 – 48; 1793 – 1815; and 1914 – 45 (see the by now classic contribution by Goldstein, 1988). In view of the methodological critique by several authors, including Silverberg (2005), against the “long wave school” it would seem appropriate rather to talk about “tendencies” or “waves” and not about “cycles”. Silverberg’s recent research paper applies spectral density analysis to two famous world system time series, Modelski’s and Thompson’s sea power index and the Levy-Goldstein great power fatalities data series. However, we try to show by using Kondratiev’s classic techniques of polynomial regressions that there are indeed several cycles, and not one cycle, of global economics and politics.

*Kondratiev cycles and global conflict*

One of the most startling consequences of the relevance of Kondratiev are the insights of the long cycle schools on global conflict. The international system is indeed characterized according to Goldstein by the following sequence of cycles:

- global war
- world hegemony of the dominant power
- de-legitimization of the international order
- de-concentration of the global system
- global war et cetera
The duration of these sub-phases of the international order is approximately one Kondratiev cycle each (an economic cycle of 50 to 60 years duration, see below), so the unit of time of the international system can be symbolized by the expression – one Kondratiev - 1K. An entire hegemonic cycle lasts 3 Kondratiev waves.

A more careful re-reading of the world systems approach – especially the writings of Giovanni Arrighi, George Modelski, Andre Gunder Frank and Immanuel Wallerstein – does suggest that the 21st Century will be characterized by a further shift of the world economic centers of gravity towards Asia, and that the maintenance of peace of the enlarged Europe to the outside world will depend on European Union democracy, technical innovation, and the avoidance of what Arrighi has called – in allusion to the concept of power of historical Venice – a ‘terra ferma’ constellation, i.e. the territorial concept of power and the exploitation of the hinterland – the terra ferma. In the history of the world economy, such major geographical shifts of economic activities and of military power – like in 1340, 1560, 1750 and 1930 -, were always associated with major wars and with a very deep economic depression.

We agree with Modelski (1999) that global challengers in the world system were always characterized by the interaction of

- a large army
- a large economy
- a closed, controlled society
- and weak, ethnocentric media.

A relatively closed society, combined with high customs, a reliance on military land power, exploitative relations with the internal and immediate external peripheries (the hinterland of Northern Italy before the great Italian wars of the 13th and 14th Century, the Spanish colonies and internal peripheries in Hapsburg Europe before the global war 1618, the French internal peripheries and colonies before the Napoleonic Wars, and Germany’s ‘Drang nach Osten’ before 1914) and a relatively weak technological home-base characterized the attempts at world power, while the successful world hegemons (the United Provinces of the Netherlands, the United Kingdom, and the United States) were each time the practical opposites on all or most of these dimensions: a naval, knowledge-driven and world-market concept of power, a society open to migration, low customs, a large sea power and a smaller, but mobile and disciplined and readily deployable land-army, and a strong technological home-base.
Significant for hegemonic success is also the strong social role of the urban merchant class that is in stark contrast to the ties between the land and capitalism, characteristic of the ‘rentier’ political economy of Hapsburg Europe, France, and Germany, the historic challengers that lost the world leadership contest.

World hegemonies that characterize the workings of world capitalism arise and they also end. As it is well-known in world system research, especially from the works of Arrighi and Silver, there are signal crises of world capitalism (the usual Kondratiev depressions), and there are terminal crises of the world system, when hegemonies end.

Peaceful transitions from one hegemony to the other are among the most intricate questions of peace research and peace policy of our time.

These moments of world hegemony transformation, as Arrighi and Silver have shown, are especially dangerous culminations of world depressions and are characterized by a subsequent fight for world hegemony, like during the great crash of the 1340s, which marked the beginning of the Genoese age (Arrighi) or Portuguese and Genoese age (Modelski), the crash of the 1560s, which marked the beginning of the Dutch era, the depression of the 1750s and 1760s, which marked the beginning of the British era, and the Great Depression in the 1930s, which was the terminal crisis of British world capitalist dominance (Arrighi, 1995). Regulation can be successful, like after 1560, and 1930, and deregulation can be successful, like after 1340, 1760, and - most probably - the 1980s (compiled from Arrighi, 1995).

A world-hegemony evolves and declines during at least two Kondratiev waves. We think it fairly safe to assume that there is no such early immediate terminal crisis of the capitalist system, but that the risk for such a crisis rapidly increases after 2020 or 2030. Even at the risk of gross oversimplification, the following scheme could be drawn.

There seems to be ample evidence, reproduced, among others, in Tausch (2003) that the terminal crises of capitalism, like Tsunami waves of world politics, have devastating consequences for the well-being of the great majority of humanity. Evidence, based on the works of Andre Gunder Frank and Rudolph Rummel suggests that as a consequence of the terrible world depressions of the 1350s (coinciding with the Black Death) and 1750s, Europe lost significantly its share in total world population, while the earthquake of world politics 1900 – 1950 had an estimated 187.7 million victims in terms of political repression, genocide and democide, i.e. a good part of all the estimated total victims (482 million human beings) of
democide, wars and repression in total human history. Among the major world systems researchers of our time, the late Andre Gunder Frank was most active in championing the idea that there are major economic cycles dating back 5000 years in human history. This idea was put forward by him for example in 1994, in an important paper which he presented to the New England Historical Association. A more final word by Frank on these large cycles is to be found, among others, in his “ReOrient”, 1998: 248 ff.

So, where are we now? 1870? 1913? 1938? World systems theory is full of speculation about the future, and much of world systems research writing projects a major global war by around 2020 or 2030. Just let us quote from famous world systems researchers:

a) Goldstein (2005) returned to his “conflict clock” (Goldstein, 1988: 259). Looking back on his predictions and his work, he now defines 2000 as the war trough year, to be followed by a 2005 price trough and real wage peak, 2010 an expansion phase, 2015 a production peak, 2020 an investment peak, 2025 an innovation trough and 2025 a war peak, and 2030 a price peak. Goldstein is clear about his prediction about the 2020s as the next real danger zone of world politics:

“In my 1988 book I pointed to the period around the 2020s as a potential danger zone, and it still worries me” (Goldstein, 2005: 8)

b) Chase-Dunn and Podobnik (1999) see a 50/50 chance of global war by around 2020, with the most likely contenders of the US being either a United Europe under German leadership or Japan

c) Boswell (1999) presents a list of 10 system evolution steps, starting by the relative decline of the United States, followed by imperial rivalry and global war between 2010 and 2020, to be followed by another world system sequence, ending by 2080 or 2090 in yet another cycle of relative decline of the hegemon who won the last world war by 2010/2020 …

d) Work by Attinà and Modelski also suggests that we most probably will not escape the fatal cycle of global leaderships and global contenders. Since the mid 1960s, the defense pact aggregation index that measures the percentage share of defense pact members in the total number of states in the international system i.e. the control that existing, established mechanisms of world political leadership exercise over global politics, has declined, suggesting that the era of global power by the United States, which was established in 1945, definitely comes to an end and that our era is pretty similar to the era 1850 – 1878, which was characterized by the de-
legitimation of the then British leadership, followed by the de-concentration of the international system and the era of coalition-building between 1878 – 1914, which ended, as we all too well know, in the catastrophe of 1914.

**Graph 1: the stylized interrelationship between the strength of the 75 year downswing correlations of the logistic cycles and the hegemonic cycle (Attina’s defense pact index)**

Legend: Potenziell: potential function; polynomisch: polynomial function. Gleitender Durchschnitt: sliding average (10 year sliding averages). The “sliding 75 year correlation analysis” shows that the hypothesis that there was an end-point in a negative, 75 year downswing period received strongest confirmation during the world depression of the 1930s. The analysis also confirms that by the late 1860s and the 1980s there were turning points in world long-run capitalist development. The golden periods of the first half of the 19th Century and from 1945 onwards seem to have reached their end. The analysis also shows that the movements in the world political order, measured by Professor Attina’s defense pact index, actually precede the world economic swings. The breakdown of the world political order precedes the breakdown of the world economic order; a vigorous world political order is a precondition of a vigorous world economic order. All war-related calculations are based on the data on great power battle fatalities from all wars in 000 victims, 1495 – 2002. The data 1495 – 1945 (1975) were reported in Goldstein, 1988 (see his definition, page 235 of his book), the data 1946 – 2002 are based on the war data base as reported by PRIO Oslo: http://www.prio.no/page/CSCW_research_detail/Programme_detail_CSCW/9649/45656.htm, re-calculated for the aims of a comparison of “great power battle fatalities from all wars”. Great Powers after 1945: the members of the UN Security Council plus Germany. Legend: Calculations based on the data provided by Goldstein (1740 – 1974; based on Goldstein, 1988) and UNIDO data, provided by Dr. Tetsuo Yamada, UNIDO statistical department (1975 – 2004).
The Italian political scientist Professor Fulvio Attinà interprets the global political cycles of the world system in accordance with Modelski as:

**global war macrodecision  global power execution  de-legitimization and agenda setting  de-concentration and coalition building  global war macrodecision et cetera**

His defense pact aggregation index neatly measures, Attinà argues, these cycles. We established in that context that the tsunamis of the break-up of the world military order precede the tsunamis of world depressions. We further compared these cycles with the long swing of world economic development and came to the conclusion that these two cyclical movements are roughly in parallel. But the tsunami crisis of world politics indeed, as we already stated, precedes the tsunami economic crisis (Tausch, 2007).

At any rate, the contemporary geographic and systemic selective retreat of the respects for civil rights around the globe – an average positive trend development 1995 – 2003 notwithstanding –, suggests that freedom is on the retreat precisely in those regions, where there were gains in freedom and human rights owing to the transformations of 1989 and the second and third wave of democratization of the 1980s and 1990s. The retreat of democracy and human rights will most probably go hand in hand with a more conflict-oriented foreign policy in years to come. Under the weight of globalization and the openings of markets, the weak economies and societies of the former communist world and several democracies of the South witness a real retreat of civil liberties.

Just as during the world depression of the 1930s democracy could not survive in the region (Polanyi, 1944), today the danger arises that instability and not democratization will triumph in the end. The turning points in the long waves between the ascents and decline phases (B-phases) were always the beginnings of political decay in the region, while the ascent phases were associated with authoritarian modernization; time-lags between the Western cycle and the Eastern semi-periphery and periphery have to be taken into account. The decisive-kairos-years are (dates before 1756 from Goldstein, 1988):

1509
1539
1575
1621
The former hegemonic contenders from earlier global wars slowly slide into a non-acceptance of their status in the international system. The real power struggle erupts already soon after the great hegemonic war, and through the ups and downs of the history of the system evolves slowly into the hegemonic challenge. Seen in such a way, not 1989 or September 11, 2001, but Korea and Vietnam could become rather the benchmarks of the future W-structure of conflict in the international arena.

The triumphalism of America being the unrivalled military hegemonic power of our world notwithstanding, we believe that a serious strategic and political science analysis quickly reveals the direct manpower and other military constraints against continued U.S. military and political dominance in world affairs. It is often said that like Old Rome, America is without parallels in terms of military strength. But such claims are, a simple myth, resting upon military spending figures that just demonstrate that the Pentagon spends a real lot of money converted into international exchange rates that are still favorable to the US Dollar but which are exchange rates untenable in the long run in view of the huge double deficits of the US economy. What is unparalleled in human history is not the “bang” that the US Conventional Forces can deliver on the ground, especially in a guerrilla warfare situation, but the “buck” that went to the Pentagon defense contractors, indeed an amount really unparalleled around the globe. The US budget deficit is now at 3.46 % of GDP, the current account balance deficit per GDP 4.90 % (2003), as stated by “Economist” Country Briefings, July 2005. The cumulated public debt of the United States is now 62.43 % of the US GDP. Compare this to the +2.44 % Maastricht budget data when President George W. Bush took office in 2000, as well as the current account deficit that was still only at 4.19 % of GDP the same year. When William Jefferson Clinton handed over the office of the President, the cumulated public debt of the United States was only 57.98 % of the US GDP. What military manpower is concerned, even the “smaller” wars in Iraq and in Afghanistan show
the extreme limits of the current capital intensive U.S. military doctrine, and for manpower reasons alone the US would be in no position to fight several conventional wars at the same time, let alone fighting another major confrontation at the same time as fighting the insurgencies in Iraq and Afghanistan.

The combination of factors that favor war and not peace in the world system could not be more adverse: the relationship between declining world political order (as measured by the Attinà defense pact index), declining world economic growth (as measured by the rates of world industrial production growth), rising war intensity (that only leveled off in the 1990s in order to increase anew, see above) and rising world inequality (as measured by the rising world GINI inequality index, calculated by Schultz) have to be reconsidered. Our hypothesis is - also in view of developments beyond the 1990s - that the belle époque of globalization from 1960 – 1990 did not bring about a more stable, egalitarian and peaceful world (see our quantitative analysis, below).

_The de-legitimization of the contemporary global order, agenda setting and the limits of US superpower_

What does all this mean in terms of the concept of the “balance of power”? And for ther Muslim world? To quote from Colin S. Gray, the perhaps most influential strategist in the United States military apparatus:

“(…) high-tech transformation will have only modest value, because war is a duel and all of America’s foes out to 2020 will be significantly asymmetrical. The more intelligent among them, as well as the geographically more fortunate and the luckier, will pursue ways of war that do not test US strengths. Second, the military potential of this transformation, as with all past transformations, is being undercut by the unstoppable processes of diffusion which spread technology and ideas. Third, the transformation that is being sought appears to be oblivious to the fact claimed here already, that there is more to war than warfare. War is about the peace it will shape.” (Gray, 2005: 20 – 21)
One of the most intriguing features of world systems theory is its prediction of the recurrence of global wars in the world capitalist system. In the 1990s, many people would have thought that after the end of the Cold War, such theories are rather obsolete. With the growing military might of China, this theory tradition deserves at least a thorough empirical re-thinking and re-analysis.

The world systems approach takes a more cautious line than “end of history” predictions and would not preclude – at least in principle – a repetition of the insane economic cycles and major power rivalries that characterized the course of history since 1450 and which produced three devastating global wars, 1618 – 48; 1793 – 1815; and 1914 – 45 (see the by now classic contribution by Goldstein, 1988).

The following graph tries to summarize the deeper underlying logic of war, economics and conflict in the international system, each interpreted as a long logistic cycle of 150 years duration:
Graph 2: The logistic 150 year cycle of world politics, world economics, and global war

The graph clearly shows the “war peaks” of the 30 Years War, the long French battle for world supremacy of the 18\textsuperscript{th} Century and the Napoleonic Wars, and the German thrust towards world hegemony 1914 – 1945. The “logistic power cycle” shows the waning type of order in the international system in the post-Cold-War-Period, and the end of the long post-World-War II boom years.

We challenged the neo-liberal assertion that globalization goes hand in hand with global peace by principally showing that battle fatalities from wars, in which the major powers (after 1945 the 5 members of the UN Security Council plus Germany) are involved, swing rhythmically in the world economy since around 1495. \textbf{There is no support for the hypothesis that conflict levels will not increase again after the end of the Cold War in the long run.} Thus the liberal globalist case cannot be maintained on a 1:1 basis, because globalization increased after the 1970s, as did battle fatalities from wars, in which the major powers are involved. They point in an upward direction, at least since 1989.
Professor Brecke uses a different methodology as the one used in most quantitative world systems studies of this type, but comes pretty much to the same conclusions as many others and we ourselves do, namely that there is no era of peace and stability “around the corner” (Brecke, 1999, at: http://www.inta.gatech.edu/peter/PSS99_paper.html). Brecke bases his research on conflicts since the 15th Century, which he put into “conflict catalog”, a listing of all recorded violent conflicts that meet Richardson's magnitude 1.5 or higher criterion (32 or more deaths).

There is one very long and large cycle of conflicts from the mid 1400s to the mid 1700s, and a strongly fluctuating but certainly not linear downward trend from the mid 1700s onwards. In the last period before 2000, there is even an increase in the number of conflicts, and not a decrease. The main results of Brecke’s research paper (1999) on the level of the world system are then:

Graph 3: the world conflict cycles from 1400 to the present

Note: this and the following graphs are reprinted from the internet version of the essay by Professor Peter Brecke (2001).

The two world regions with the highest conflict intensity, Europe and Africa, present the following picture:
Graph 4: the world conflict cycles from 1400 to the present - Europe

Graph 5: the world conflict cycles from 1400 to the present - Africa
The regional breakdown for Western Europe and Eastern Europe is the following:

**Graph 5: the world conflict cycles from 1400 to the present – Western Europe**

![Graph 5: Western Europe Conflict Cycles](image)

While there is indeed an era of peace and stability in Western Europe after the end of the Second World War, trends in Eastern Europe are more alarming and do not support the hypothesis that “the end of history” is in sight:

**Graph 6: the world conflict cycles from 1400 to the present – Eastern Europe**

![Graph 6: Eastern Europe Conflict Cycles](image)
While Western Europe largely stabilized, the conflict potential especially in Africa increased over the last decades, thus de-stabilizing Europe’s Southern neighborhood:

**Graph 7: the world conflict cycles from 1400 to the present – Northern Africa**

The well-known hypothesis about the growth of internal conflicts versus inter-state conflicts is again confirmed in the Brecke-study:
Graph 8: the world conflict cycles from 1900 to the present – civil versus interstate conflicts

**Global terrorism and the Kondratiev cycle**

Disturbing, as the notion of a conflict prone international system might be, we could show that lots of quantitative evidence speaks in favor of the idea that the world system under the guidance of capitalist principles is a “house of war” (Dar al Harb). Our reading of the latest available, comparable figures on global terrorism from US State Department sources in the context of the Kondratiev cycle debate is certainly also controversial, and goes a long way to meet the arguments by Muslim and non-Muslim critics of the very nature of this global capitalist system. While our materials show that there a long-lasting trends towards conflict in world society, which are a reflection of the underlying hegemonial cycle, and that there are growing regional conflicts as well, the available hard data suggest a very “Clintonian” and “Democratic Party” reading of terrorist events, a reading which contradicts much of the “Republican” or Bush administration “logic” of interpreting international events before and after 9/11. The fight against international terrorism showed its real fruits, September 11th, 2001 notwithstanding, and there
was a very clear downward trend in international terrorism (the $R^2$ for the linear estimate > 62 %) before the events in Iraq, which overshadow the performance. We only can guess at the trends after 2003, for the US State Department discontinued its comparable data series and now refers to the Homeland Security data, which do not allow world level aggregations. In a way, the war in Iraq, instead of being a fight against international terrorism, is an incubator of a number of terrorist groups.
Graph 9: the world since 1945: while US State Department data show that global terrorism diminished until the war in Iraq ... the underlying conflicts in world society have increased.

\[ y = -16,706x + 623,21 \]

\[ R^2 = 0,6298 \]

the underlying conflicts in world society have increased

Legend: Calculations about world industrial production growth are based on the data, provided by Goldstein (1740 – 1974; based on Goldstein, 1988) and UNIDO data, provided by Dr. Tetsuo Yamada, UNIDO statistical department (1975 – 2004). All war-related calculations are based on the data on great power battle fatalities from all wars in 000 victims, 1495 – 2002. The data 1495 – 1945 (1975) were reported in Goldstein, 1988, the data 1946 – 2002 are based on the war data base as reported by PRIO Oslo: http://www.prio.no/page/CSCW_research_detail/Programme_detail_CSCW/9649/45656.htm re-calculated for the aims of a comparison of “great power battle fatalities from all wars”. Great Powers after 1945: the members of the UN Security Council plus Germany. Gleitender Durchschnitt: sliding average (5 year sliding averages). Polynomisch: polynomial expression. Battle fatality rates: 10th root of the original values. In addition to the previous graph, this analysis now compares the movements of international production and war with Professor Attina’s defense pact index and the movements of world income inequality, as reported by Nobel laureate Ted Schultz. The graph shows the dangerous Kairos of world politics that we are confronted with: stumbling economic growth, rising world political tensions, rising world income inequality (world GDP at exchange rates), a withering world political order.

Instead of succumbing to a neo-colonial reading of political and economic history in the Middle East and North Africa since the end of the Cold War period, we have to state here as well that the
economic and employment performance in the predominantly Muslim regions of the world, especially in the Middle East and North Africa, was quite remarkable, given the severe constraints like the absence of a lasting peace in the region etc.

Table 2: decreasing poverty and increasing employment ratios in the Muslim world

<table>
<thead>
<tr>
<th>Year</th>
<th>1995 (million)</th>
<th>2000 (million)</th>
<th>2005* (million)</th>
<th>1995 share in total employment (%)</th>
<th>2000 share in total employment (%)</th>
<th>2005* share in total employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>627.4</td>
<td>582.0</td>
<td>620.1</td>
<td>25.7</td>
<td>22.1</td>
<td>18.3</td>
</tr>
<tr>
<td>Central and Eastern Europe (non-EU) and CIS</td>
<td>12.6</td>
<td>11.7</td>
<td>4.3</td>
<td>7.5</td>
<td>7.1</td>
<td>2.6</td>
</tr>
<tr>
<td>East Asia</td>
<td>174.8</td>
<td>150.3</td>
<td>104.0</td>
<td>24.7</td>
<td>20.2</td>
<td>13.4</td>
</tr>
<tr>
<td>South-East Asia and the Pacific</td>
<td>39.8</td>
<td>30.3</td>
<td>29.7</td>
<td>18.6</td>
<td>12.7</td>
<td>11.4</td>
</tr>
<tr>
<td>South Asia</td>
<td>292.9</td>
<td>224.2</td>
<td>202.3</td>
<td>55.1</td>
<td>44.3</td>
<td>35.8</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>23.5</td>
<td>27.0</td>
<td>28.0</td>
<td>12.5</td>
<td>12.6</td>
<td>11.8</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>2.6</td>
<td>3.5</td>
<td>3.6</td>
<td>3.1</td>
<td>3.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>121.1</td>
<td>134.9</td>
<td>148.3</td>
<td>57.8</td>
<td>57.4</td>
<td>56.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US$1 a day working poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
</tr>
<tr>
<td>Central and Eastern Europe (non-EU) and CIS</td>
</tr>
<tr>
<td>East Asia</td>
</tr>
<tr>
<td>South-East Asia and the Pacific</td>
</tr>
<tr>
<td>South Asia</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
</tr>
</tbody>
</table>


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Available data do not permit any other causal inferences about the downward trend of global terrorism than the hypothesis, to be gained from a visual inspection of the data, that **globalization** in both the centers and the peripheries increased dramatically while terrorism in fact **decreased**.

However, as we will show below, it is equally clear that neo-liberal globalization creates its contradictions and disturbances, and *ceteris paribus* negatively affects the overall development performance, while Muslim population per total population or membership of a country in the Organization of Islamic Conference – *again ceteris paribus* – even brings about positive performances in terms of economic growth, human development and the environment.

**Graph 10: Globaler terror and world political cycles**

[Graph showing various trends and data points related to global terrorism and world political cycles.]
Is Islam to blame for underdevelopment, poverty and human rights abuses?

Empirically testing the major relationships between world development and Islam, we now proceed to test the relationships between Muslim religious adherence and world development on a cross national basis.

The 12 predictors in our equations measure the already achieved development level as an important control variable for possibly diminishing returns on capital, 3 important processes of economic history and geography (transition process, access to the seas versus landlocked countries, urbanisation) as well as 3 dimensions of globalization, economic freedom versus state interventions and two variables that measure possible counter-identities to the otherwise now “unified house of capitalism” – the membership of a country in the “house of Islam” (“Dar al Islam”) or membership in the European Union (EU-15).

The choice of the 140 countries of our analysis was determined by the availability of a complete data series for these independent variables (if not mentioned otherwise, UNDP data):

- (I-S)/GNP (calculated from UNDP 2000)
- development level ln (GDP PPP pc)
- development level, square (maturity effects) ln (GDP PPP pc)^2
- EU-15-membership (EU member by the year 2000, dummy variable)
- Islamic conference membership (OIC website¹)
- MNC PEN 1995 (UNCTAD)
- Dummy: transition country²
- Dummy: landlocked country³
- Urbanisation⁴
- state interventionism (absence of economic freedom; Heritage Foundation and Wall Street Journal website for economic freedom⁵, 2000)

¹ http://www.oic-oci.org/ there the icon “members”.
² Taken from William Easterly, EXCEL data file freely available at http://www.egdev.org/content/expert/detail/2699/
³ Taken from William Easterly, EXCEL data file freely available at http://www.egdev.org/content/expert/detail/2699/
⁴ Taken from William Easterly, EXCEL data file freely available at http://www.egdev.org/content/expert/detail/2699/
⁵ These data are contained in http://www.freetheworld.com/; also: http://www.heritage.org/research/features/index/.

We used the latter website as the source of our data. It has to be kept in mind that the “worst” countries on the economic freedom scale have the numerically highest values, while the best countries have the numerically lowest values. Lao People's Dem. Rep. – the economically “unfreest” country in our sample, has the numerical value 4.6, while the economically freest country, Singapore, scores 1.45. We thus decided to call our indicator “state interventionism”
unequal transfer (calculated from UNDP, concept: ERDI, reciprocal value of comparative “price levels” (developed on the basis of the ERD-Index Yotopoulos et al.)
6 
(the Commission maintaining that a low value is good result)

These variables correspond to the following dimensions:

<table>
<thead>
<tr>
<th>World economic openness and globalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign saving [(I-S)/GNP]</td>
</tr>
<tr>
<td>state interventionism (absence of economic. freedom)</td>
</tr>
<tr>
<td>transnational capital penetration [MNC PEN 1995]</td>
</tr>
<tr>
<td>low comparative international price level [ERD]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Membership in the Organization of Islamic Conferences or precentage of the population adhering to the Muslim faith</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Membership in the European Union</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geography</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dummy for being landlocked</td>
</tr>
<tr>
<td>Urbanization ratio, 1990</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recent world economic history</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dummy for transition economy</td>
</tr>
<tr>
<td>Development level and development level squared [ln(GDP PPP pc) and ln (GDP PPP pc)^2]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pension Reform efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank pension reform</td>
</tr>
</tbody>
</table>

The list of our dependent variables is long and multidimensional. We claim to present with this analysis one of the most comprehensive synopses of the logic of post-1989 development available in the literature.

We proceeded in each multiple regression with list wise deletion of missing data from the list of dependent variables.

---

6 it can be shown that the Eurostat data series GDP PPP per capita/GDP exchange rate per capita (EU-25=100), used for the “price level”, in reality measure GDP exchange rate per capita/GDP PPP per capita (EU-25=100).

7 See nationmaster.com at http://www.nationmaster.com/graph/rel_isl_per_mus-religion-islam-percentage-muslim
Democracy

Absence of democracy: political rights violations (Easterly, 2006\textsuperscript{8})
Absence of democracy: civil rights violations (Easterly, 2006)

Environment

CO2 emissions per capita
ESI-Index ((Yale/Columbia environment sustainability index project website)
GDP output per kg energy use ("eco-social market economy"\textsuperscript{9})

Gender development and gender empowerment

Female economic activity rates as percentage of male economic activity rates

Human development

% people not expected to survive age 60
life expectancy, 1995-2000

Redistribution, growth and employment policies

economic growth 1990-2003
share of income/consumption richest 20% to poorest 20% (quintile ratio)

\textsuperscript{8} Taken from William Easterly, EXCEL data file freely available at http://www.cgdev.org/content/expert/detail/2699/
\textsuperscript{9} This term is most probably an Austrian invention. The governing Conservative People’s Party – to be precise, its former Chairman Dr. Josef Riegler – seems to have invented this term in the late 1980s. For more on that debate: http://www.nachhaltigkeit.at/bibliothek/pdf/Factsheet11OekosozMarktw.pdf; and Michael Rösch, Tubingen University at http://tiss.zdv.uni-tuebingen.de/webroot/sp/spsba01_W98_1/germany1b.htm. As an indicator of the reconciliation between the price mechanism and the environment we propose the indicator GDP output per kg energy use; the term ‘eco-social market economy’ neatly grasps all the aspects of this empirical formulation.
The following equations are then being estimated by standard EXCEL regression procedures, based on the ordinary least square standard multiple regression model:

(Equation 1a) development performance \(1990 - \text{end 1990s} = a_1 + b_1 \cdot \text{first part curvilinear function of development level} + b_2 \cdot \text{second part curvilinear function of development level} + b_3 \cdot \text{stock of transnational investment per GDP (UNCTAD) mid 1990s} + b_4 \cdot \text{comparative price levels (ERDI)} + b_5 \cdot \text{foreign saving} + b_6 \cdot \text{dummy transition economy} + b_7 \cdot \text{percentage of the population adhering to the Muslim faith} + b_8 \cdot \text{European Union membership} + b_9 \cdot \text{state interventionism} + b_{10} \cdot \text{urbanisation} + b_{11} \cdot \text{dummy landlocked country} + b_{12} \cdot \text{dummy World Bank pension reform}

(Equation 1b) development performance \(1990 - \text{end 1990s} = a_1 + b_1 \cdot \text{first part curvilinear function of development level} + b_2 \cdot \text{second part curvilinear function of development level} + b_3 \cdot \text{stock of transnational investment per GDP (UNCTAD) mid 1990s} + b_4 \cdot \text{comparative price levels (ERDI)} + b_5 \cdot \text{foreign saving} + b_6 \cdot \text{dummy transition economy} + b_7 \cdot \text{membership in the Islamic Conference} + b_8 \cdot \text{European Union membership} + b_9 \cdot \text{state interventionism} + b_{10} \cdot \text{urbanisation} + b_{11} \cdot \text{dummy landlocked country} + b_{12} \cdot \text{dummy World Bank pension reform}

Results for the effects of Muslim population as a percentage of total population

The t-values and the directions of influence in the multiple regressions are the following. For reasons of brevity, we only mention results, which are significant at the 10% level:
Table 3: the significant effects of Muslim culture on development, compared to other predictors

<table>
<thead>
<tr>
<th>variable</th>
<th>Political rights violations, 1998</th>
<th>Civil liberty violations, 1998</th>
<th>quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>% people not expected to survive age 60</th>
<th>HDI 2005</th>
<th>female economic activity rate as % of male economic activity rate</th>
<th>CO2 emissions per capita</th>
<th>eco-social market economy (GDP output per kg energy use)</th>
<th>ESI-Index</th>
<th>economi c growth, 1990-2003</th>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muslims as % of total population</td>
<td>-4,075</td>
<td>-2,786</td>
<td>-2,321</td>
<td>2,523</td>
<td>2,072</td>
<td>-2,019</td>
<td>1,943</td>
<td>ALTERNATIVE GLOBALIZATION vs. WASHINGTON CONSENSUS NEOLIBERALISM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(I-S)/GNP</td>
<td>5,404</td>
<td>4,847</td>
<td>-2,167</td>
<td>-2,816</td>
<td>1,768</td>
<td>-3,556</td>
<td>-2,556</td>
<td>ALTERNATIVE GLOBALIZATION vs. WASHINGTON CONSENSUS NEOLIBERALISM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>state interventionism (absence of ec. freedom)</td>
<td>-1,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-2,498</td>
<td>2,166</td>
<td>WASHINGTON CONSENSUS NEOLIBERALISM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MNC PEN 1995</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-2,241</td>
<td>ALTERNATIVE GLOBALIZATION vs. WASHINGTON CONSENSUS NEOLIBERALISM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>low comparative international price level (ERD)</td>
<td>3,061</td>
<td>2,007</td>
<td>-1,794</td>
<td>3,226</td>
<td>-2,032</td>
<td></td>
<td></td>
<td>ALTERNATIVE GLOBALIZATION vs. WASHINGTON CONSENSUS NEOLIBERALISM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>world bank pension model</td>
<td>2,658</td>
<td>2,351</td>
<td>-2,087</td>
<td>-2,599</td>
<td>-2,719</td>
<td></td>
<td></td>
<td>WASHINGTON CONSENSUS NEOLIBERALISM</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU-membership (EU-15)</td>
<td>4,801</td>
<td>5,384</td>
<td></td>
<td></td>
<td>-1,787</td>
<td>-2,477</td>
<td></td>
<td>EUROPEAN INTEGRATION</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>landlocked country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1,943</td>
<td>2,522</td>
<td>GEOGRAPHY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dummy for transition economy</td>
<td>-2,584</td>
<td>2,342</td>
<td>-2,290</td>
<td>-1,918</td>
<td>5,959</td>
<td>6,576</td>
<td>2,115</td>
<td>DEVELOPMENT HISTORY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urbanization ratio, 1990</td>
<td>2,400</td>
<td>-3,260</td>
<td>3,317</td>
<td>3,624</td>
<td>-6,119</td>
<td>-5,989</td>
<td></td>
<td>GEOGRAPHY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ln(GDP PPP pc)</td>
<td>2,294</td>
<td>2,447</td>
<td></td>
<td></td>
<td>-2,793</td>
<td>2,947</td>
<td>-1,854</td>
<td>DEVELOPMENT HISTORY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ln (GDP PPP pc)^2</td>
<td>-3,188</td>
<td>-1,988</td>
<td>2,381</td>
<td>4,699</td>
<td>6,046</td>
<td>3,182</td>
<td>-3,692</td>
<td>DEVELOPMENT HISTORY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dimension</td>
<td>POL DEV</td>
<td>POL DEV</td>
<td>JUSTICE</td>
<td>HUM DEV</td>
<td>HUM DEV</td>
<td>GENDER</td>
<td>ENVIR ON</td>
<td>ENVIR ON</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R^2</td>
<td>0,641</td>
<td>0,660</td>
<td>0,316</td>
<td>0,732</td>
<td>0,784</td>
<td>0,912</td>
<td>0,492</td>
<td>0,747</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F entire equation</td>
<td>18,000</td>
<td>19,554</td>
<td>3,465</td>
<td>27,572</td>
<td>36,513</td>
<td>104,868</td>
<td>9,775</td>
<td>27,583</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>error probability, entire equation</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td>0,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Alternatives: Turkish Journal of International Relations, Vol. 6, No.1 & 2, Spring & Summer 2007*
Table 4: t-values for the variable “Muslims per cent of total population”

<table>
<thead>
<tr>
<th></th>
<th>Muslims as % of total population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political rights violations, 1998</td>
<td>-4.07542</td>
</tr>
<tr>
<td>Civil liberty violation, 1998</td>
<td>-2.7856</td>
</tr>
<tr>
<td>% people not expected to survive age 60</td>
<td>-2.32143</td>
</tr>
<tr>
<td>CO2 emissions per capita</td>
<td>-2.01932</td>
</tr>
<tr>
<td>female economic activity rate as % of male economic activity rate</td>
<td>-0.7578</td>
</tr>
<tr>
<td>ESI-Index</td>
<td>-0.4217</td>
</tr>
<tr>
<td>quintile ratio (share of income/consumption richest 20% to poorest 20%)</td>
<td>0.31076</td>
</tr>
<tr>
<td>economic growth, 1990-2003</td>
<td>1.357943</td>
</tr>
<tr>
<td>eco-social market economy (GDP output per kg energy use)</td>
<td>1.943243</td>
</tr>
<tr>
<td>HDI 2005</td>
<td>2.072334</td>
</tr>
<tr>
<td>life expectancy, 1995-2000</td>
<td>2.522753</td>
</tr>
</tbody>
</table>

Results for the effects of membership in the Organization of the Islamic Conference

Likewise, the results for the membership in the Organization of the Islamic Conference support the optimistic conclusions, drawn above. Our research design with the independent variables

(I-S)/GNP  
Dummy for being landlocked  
Dummy for transition economy  
EU-membership (EU-15)  
Islamic conference  
ln (GDP PPP pc)^2  
ln(GDP PPP pc)  
low comparative international price level (ERD)  
MNC PEN 1995  
state interventionism (absence of ec. freedom)  
Urbanization ratio, 1990  
world bank pension reform

yielded the following results:
Table 5: determinants of global well-being. Not Islam, but neo-liberal globalization is the problem

(t-test from global regression analyses)

<table>
<thead>
<tr>
<th>Effect from/on</th>
<th>Freedom from political rights violations, 1998</th>
<th>Freedom from civil liberty violations, 1998</th>
<th>Freedom from % people not expected to survive age 60</th>
<th>Freedom from a high quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>Economic growth, 1990-2003</th>
<th>Life expectancy, 1995-2000</th>
<th>Eco-social market economy (GDP output per kg energy use)</th>
<th>Female economic activity rate as % of male economic activity rate</th>
<th>Rough estimate of total effects (combined t-values)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic conference membership</td>
<td>4.277215</td>
<td>2.839568</td>
<td>2.204458</td>
<td>-0.707966</td>
<td>2.907641</td>
<td>2.737306</td>
<td>2.362913</td>
<td>2.149419</td>
<td>-0.856503</td>
</tr>
<tr>
<td>State interventionism (absence of economic freedom)</td>
<td>1.0218556</td>
<td>0.68456</td>
<td>0.8855162</td>
<td>1.708545</td>
<td>2.134328</td>
<td>-0.14635</td>
<td>0.853418</td>
<td>1.844425</td>
<td>-0.165862</td>
</tr>
<tr>
<td>Ln (GDP PPP pc)</td>
<td>1.151728</td>
<td>0.4309302</td>
<td>1.759298</td>
<td>3.34363</td>
<td>-3.40349</td>
<td>-0.587205</td>
<td>-0.34718</td>
<td>2.231726</td>
<td>0.368447</td>
</tr>
<tr>
<td>Landlocked country</td>
<td>-0.19896</td>
<td>0.0514153</td>
<td>-0.186335</td>
<td>0.121995</td>
<td>1.724441</td>
<td>0.8067466</td>
<td>-0.34718</td>
<td>2.231726</td>
<td>0.368447</td>
</tr>
<tr>
<td>Dummy for transition economy</td>
<td>0.7840256</td>
<td>1.3781501</td>
<td>-2.41533</td>
<td>2.739181</td>
<td>-6.19958</td>
<td>-0.365112</td>
<td>-2.47252</td>
<td>2.440551</td>
<td>5.837531</td>
</tr>
<tr>
<td>Urbanization ratio, 1990</td>
<td>-0.469331</td>
<td>-1.054605</td>
<td>3.299465</td>
<td>-2.57184</td>
<td>5.606543</td>
<td>0.7761504</td>
<td>3.468329</td>
<td>-1.84286</td>
<td>-5.9905</td>
</tr>
<tr>
<td>MNC PEN 1995</td>
<td>-0.048698</td>
<td>-2.783999</td>
<td>1.4007376</td>
<td>1.658806</td>
<td>-1.620307</td>
<td>-0.420913</td>
<td>0.9398845</td>
<td>-0.18496</td>
<td>1.2582059</td>
</tr>
<tr>
<td>(I-S)/GNP</td>
<td>-4.91863</td>
<td>-3.34926</td>
<td>0.6880346</td>
<td>1.732719</td>
<td>-1.09484</td>
<td>0.2919605</td>
<td>-0.33206</td>
<td>0.1058299</td>
<td>-2.46247</td>
</tr>
<tr>
<td>World bank pension model</td>
<td>-2.42777</td>
<td>-0.689954</td>
<td>-2.41533</td>
<td>2.739181</td>
<td>-6.19958</td>
<td>-0.365112</td>
<td>-2.47252</td>
<td>2.440551</td>
<td>5.837531</td>
</tr>
<tr>
<td>ln (GDP PPP pc)</td>
<td>-2.13704</td>
<td>-2.18766</td>
<td>1.6397475</td>
<td>-0.949826</td>
<td>-2.93703</td>
<td>-3.37391</td>
<td>1.847093</td>
<td>-1.528158</td>
<td>-3.45916</td>
</tr>
<tr>
<td>EU-membership (EU-15)</td>
<td>-5.00762</td>
<td>-5.35505</td>
<td>1.254848</td>
<td>0.261991</td>
<td>-0.003739</td>
<td>1.005888</td>
<td>-1.408946</td>
<td>0.3955267</td>
<td>-1.105135</td>
</tr>
<tr>
<td>Low comparative international price level (ERD)</td>
<td>-4.064</td>
<td>-2.98932</td>
<td>-1.73455</td>
<td>-0.747427</td>
<td>-3.45486</td>
<td>2.95074</td>
<td>-2.38415</td>
<td>-1.68922</td>
<td>-0.959879</td>
</tr>
<tr>
<td>R</td>
<td>0.72</td>
<td>0.61076</td>
<td>0.71959</td>
<td>0.30953</td>
<td>0.73357</td>
<td>0.35213</td>
<td>0.78019</td>
<td>0.70255</td>
<td>47.500</td>
</tr>
<tr>
<td>F</td>
<td>17.38</td>
<td>16.60</td>
<td>27.16</td>
<td>3.44</td>
<td>27.07</td>
<td>5.62</td>
<td>37.56</td>
<td>19.34</td>
<td>9.57</td>
</tr>
<tr>
<td>Error probability, total equation</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0002</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Results for the effects of migration rates and membership in the Organization of the Islamic Conference

Additionally introducing net migration from United Nations sources into our equation (1b), based on the predictors

(I-S)/GNP
Dummy for being landlocked
Dummy for transition economy
EU-membership (EU-15)
Islamic conference
ln (GDP PPP pc)^2

Alternatives: Turkish Journal of International Relations, Vol. 6, No.1&2, Spring & Summer 2007 46
ln(GDP PPP pc)
low comparative international price level (ERD)
MNC PEN 1995
state interventionism (absence of ec. freedom)
total net migration rate 1950-2000 as % of total pop. 2000
Urbanization ratio, 1990
world bank pension reform

we arrive at the following results:

Table 6: The effects of migration on development (a positive immigration rate is to be observed in immigration countries, while a negative migration rate is typical of labour surplus societies in the periphery and semi-periphery of the world system)

<table>
<thead>
<tr>
<th>t-value</th>
<th>total net migration rate 1950-2000 as % of total pop. 2000</th>
<th>effect on</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.279069</td>
<td>eco-social market economy (GDP output per kg energy use)</td>
<td></td>
</tr>
<tr>
<td>1.27459</td>
<td>economic growth, 1990-2003</td>
<td></td>
</tr>
<tr>
<td>1.160785</td>
<td>ESI-Index</td>
<td></td>
</tr>
<tr>
<td>0.607328</td>
<td>female economic activity rate as % of male economic activity rate</td>
<td></td>
</tr>
<tr>
<td>0.511675</td>
<td>HDI 2005</td>
<td></td>
</tr>
<tr>
<td>0.059306</td>
<td>% people not expected to survive age 60</td>
<td></td>
</tr>
<tr>
<td>-0.01645</td>
<td>Political rights violations, 1998</td>
<td></td>
</tr>
<tr>
<td>-0.07726</td>
<td>life expectancy, 1995-2000</td>
<td></td>
</tr>
<tr>
<td>-0.22916</td>
<td>CO2 emissions per capita</td>
<td></td>
</tr>
<tr>
<td>-0.27561</td>
<td>Civil liberty violation, 1998</td>
<td></td>
</tr>
<tr>
<td>-0.39828</td>
<td>quintile ratio (share of income/consumption richest 20% to poorest 20%)</td>
<td></td>
</tr>
</tbody>
</table>

Discussion

In our summary, to be presented here, we concentrate on the specification equation 1a above that measures the effects of the variable “Muslims as a percentage of total population” in comparison with the other, more traditional variables of cross-national development research. We present t-values and the direction of influence, significant at least at the 10 % level. The results, using OIC-membership as a “dummy variable” largely, and again, confirm our analysis. The empirical materials reported here can be considered as a very considerable argument in favor of the compatibility of Islam, and sustainable and equitable development.
Our first result concern the effects of Muslim culture on development. The empirical test reveals that – ceteris paribus – there is lot of reason for optimism for the future of inter-cultural relations, with the percentage of Muslims per total population positively affecting the human rights, the human development, and the ecological record of a country.

<table>
<thead>
<tr>
<th>variable</th>
<th>Political rights violations, 1998</th>
<th>Civil liberty violation, 1998</th>
<th>quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>% people not expected to survive age 60</th>
<th>life expectancy, 1995-2000</th>
<th>HDI 2005</th>
<th>female economic activity rate as % of male economic activity rate</th>
<th>CO2 emissions per capita</th>
<th>eco-social market economy (GDP output per kg energy use)</th>
<th>ESI-Index</th>
<th>economic growth, 1990-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muslims as % of total population</td>
<td>-4,075</td>
<td>-2,786</td>
<td>-2,321</td>
<td>2,523</td>
<td>2,072</td>
<td>-2,019</td>
<td>1,943</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Geography**, as William Easterly correctly observes, also plays an important part in today’s cross-national development determinants. Paradoxically enough, the status of a country as a landlocked country significantly and positively affects two of the three environment variables under scrutiny here.

<table>
<thead>
<tr>
<th>variable</th>
<th>Political rights violations, 1998</th>
<th>Civil liberty violation, 1998</th>
<th>quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>% people not expected to survive age 60</th>
<th>life expectancy, 1995-2000</th>
<th>HDI 2005</th>
<th>female economic activity rate as % of male economic activity rate</th>
<th>CO2 emissions per capita</th>
<th>eco-social market economy (GDP output per kg energy use)</th>
<th>ESI-Index</th>
<th>economic growth, 1990-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>landlocked country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Urbanisation** also plays a major role. In the vast quantitative literature on globalization and development, there is recurrent reference to the issues of “structural disarticulation”, i.e. the imbalance between the different economic sectors. Although highly urbanised, and often prematurely urbanized societies in Africa, Asia and Latin American can manage better than their less urbanised counterparts the problem of CO2 emissions (with population density making environmental investments, public transport and energy savong less costly), and although they tend to have a very positive human development record, their main structural deficits are income polarization and a very high social exclusion of women from employment, thus supporting earlier literature that tended to analyze structural disarticulation on such terms.
Easterly also correctly points out that what we call here development history plays an important role in the determination of development. Transition economies still tend to be characterized by comparatively lower rates of economic inequalities and higher shares of women in the labor force, and notably enough they tended to increase their eco-market efficiency in recent years, but still they are characterized by very high rates of CO2-emissions.

Next, we look into the well-known curve-linear effects of development levels on development performance. The first expression in the well-known acceleration and maturity effects of development \(- + b1^\ast \ln (PCI_t)\) – yields the following results. The immediate effects of rising development levels on world development are deteriorating human rights records, increasing marginalization of women on the labor market, rising environmental strains and sinking rates of economic growth, thus contradicting the optimistic views of the development process. Much of the ills of the Middle Eastern region, often attributed to Islam, are in reality nothing else but the expression of this “modernization crisis” of all poorer countries in the world system, already described in great detail by the classics of political science. Most notably enough, several of these ills seem to disappear with rising levels of per capita incomes (see below).
The second more optimistic part of the “Kuznets-curve” - $b_2^* \left( \ln (PCI_m) \right)^2$ - has the following results for the “maturity effects” of development: the human development and the gender specific employment record of a society dramatically improve, and social cohesion makes good progress after certain levels of development are being reached. The price for this in social terms are deteriorating ecological balances, thus making far-reaching environmental policies and consciousness necessary already at lower stages of development.

While Muslim culture is not an impediment against human rights, human development and ecological development, the European Union ceteris paribus is. Thus, many of the Euro-skeptical writings, including by the present author, are again confirmed here. Our results again clearly contradict many of the expectations inherent in the writings of Professor Samuel Huntington. Three dimensions of development – human rights, human development and ecological development, are ceteris paribus positively and significantly determined by the percentage share of Muslims per total population, while the old member countries of the EU (EU-15) have – ceteris paribus – a very negative human rights balance, slow economic growth and a low environment sustainability index (ESI index).
Our results about the separate effects of globalization are not as clear-cut as one might expect from the literature. As one of the three main indicators of dependency, the reliance on foreign savings eases the distribution burden against the poorer segments of society during the accumulation process and it positively affects the human development record in society, but it hampers environmental sustainability and it has a negative effect on female employment, and it is to be considered as one of the main negative determinants of the human rights record of a country:

**MNC penetration** contributes to a negative balance of a country on the eco-social market economy indicator, while other, often well-known effects on economic growth, human survival and life expectancy cannot be maintained any longer under the specifications of the present research design.
The costs of **World Bank pension reforms** in social terms seem to be very high. Our cross-national design confirms the scepticism, voiced by such authors as Raffer (2003), thus also contradicting earlier more optimistic findings reported in Tausch (Ed.) (2003).

<table>
<thead>
<tr>
<th>variable</th>
<th>Political rights violations, 1998</th>
<th>Civil liberty violation, 1998</th>
<th>quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>% people not expected to survive age 60</th>
<th>Life expectancy, 1995-2000</th>
<th>HDI 2005</th>
<th>female economic activity rate as % of male economic activity rate</th>
<th>CO2 emissions per capita</th>
<th>eco-social market economy (GDP output per kg energy use)</th>
<th>ESI-Index</th>
<th>economic growth, 1990-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>world bank pension model</td>
<td>2,658</td>
<td></td>
<td>2,351</td>
<td>-2,087</td>
<td>-2,599</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-2,719</td>
</tr>
</tbody>
</table>

Contrary to the neo-liberal credo, **state interventionism** increases the social cohesion and improves the eco-social efficiency of a country.

<table>
<thead>
<tr>
<th>variable</th>
<th>Political rights violations, 1998</th>
<th>Civil liberty violation, 1998</th>
<th>quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>% people not expected to survive age 60</th>
<th>Life expectancy, 1995-2000</th>
<th>HDI 2005</th>
<th>female economic activity rate as % of male economic activity rate</th>
<th>CO2 emissions per capita</th>
<th>eco-social market economy (GDP output per kg energy use)</th>
<th>ESI-Index</th>
<th>economic growth, 1990-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>state interventionism (absence of ec. freedom)</td>
<td></td>
<td></td>
<td>-1,758</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-2,498</td>
<td></td>
<td>2,166</td>
<td></td>
</tr>
</tbody>
</table>

The crown jewel of neo-liberal European Union policies, the **lowering of comparative price levels**, or, if you wish, **unequal exchange**, has negative significant effects on the human rights record, on the human development index, and on two of the three ecological indicators presented here.

<table>
<thead>
<tr>
<th>variable</th>
<th>Political rights violations, 1998</th>
<th>Civil liberty violation, 1998</th>
<th>quintile ratio (share of income/consumption richest 20% to poorest 20%)</th>
<th>% people not expected to survive age 60</th>
<th>Life expectancy, 1995-2000</th>
<th>HDI 2005</th>
<th>female economic activity rate as % of male economic activity rate</th>
<th>CO2 emissions per capita</th>
<th>eco-social market economy (GDP output per kg energy use)</th>
<th>ESI-Index</th>
<th>economic growth, 1990-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>low comparative international price level (ERD)</td>
<td>3,061</td>
<td>2,007</td>
<td></td>
<td></td>
<td>-1,794</td>
<td></td>
<td>3,226</td>
<td></td>
<td></td>
<td></td>
<td>-2,032</td>
</tr>
</tbody>
</table>
This process – just as the contradictory effects of modernity described above -, well explains the crisis in many parts of the Middle East. Several Muslim countries are not in crisis, because they are Muslim, but because they suffer from the general contradictions of the modernization process, and because they have a low comparative international price level or – if you wish – they suffer from unequal exchange. We could show the dramatic world shifts in price levels relative to the United States in recent years, and supported our hypothesis that largely unequal exchange (or neo-liberal price reform strategies), are to blame for many of the present ills of the Muslim world. Contrary to what European policy makers expected with their Eurostat politically binding price level indicator, which is, after all, one of their 14 main Lisbon targets, the United States was a high price region throughout much of the late 1990s and the early 2000s. By and large, it is shown that the member countries of the “old” EU-15, and especially the Euro zone countries are on the losing side in that transnational equation. No “old” European country improved its position; on the contrary, “old Europe” becomes a region that is itself a victim of unequal transfer. It also emerges that ceteris paribus the Muslim world indeed became the main loser of these tectonic price level shifts. It is entirely conceivable that these pressures – as Gernot Kohler has shown and as we already hinted at above – also explain a good part of the negative trends on the labor markets in the Muslim countries and in Europe (Tausch/Heshmati, 2007).

It also emerges that unfettered globalization, properly specified as investment globalization, foreign saving, and unequal exchange (exchange rate deviation index) is responsible for a host of social problems and polarizing development models.
Are world cultures really that different?

Further dispelling irrational immigration-phobias and Islamophobia in general, the present work also shows that by and large, there are pretty much the same functions of key (positive or negative) UNDP development indicators (y-axis) as compared with purchasing power per capita (x-axis) in the Muslim world and the non-Muslim countries.

- % of people not surviving to age 60
- Contraceptive prevalence
- Female share in secondary school enrollment
- Fertility rates
- Gender empowerment
- HIV rates
- Infant mortality rates
- Maternal mortality ratios
- Rape
- Share of women in total suicide
- Smoking patterns
- Teen-age mothers
- Youth in prison rates

With rising per capita incomes, Muslim countries even enjoy a more successful human development in terms of

- Avoiding rising divorce rates
- Declining male and female suicide rates
- Implementing fertility decline

while, with rising per capita incomes, their still existing social policy deficits are:

- Avoiding rising homicide rates
- Avoiding road accidents
- Female share in parliamentary seats
- Female to male earnings ratios
Table 7: Islam is not really different. Development patterns: rising income (GDP per capita at real purchasing power parities) has the following effects

(results from correlation analyses for the Muslim world and the non-Muslim world)

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Muslim world correlation</th>
<th>Non-Muslim world correlation</th>
<th>Divergence in development paths (correlation Muslim - correlation Non-Muslim world)</th>
<th>Indicator should be maximized according to &quot;western standards&quot;</th>
<th>West outperforms the Muslim world</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total fertility rate (births per woman), 2000-2005</td>
<td>-0.525958</td>
<td>-0.547477</td>
<td>-0.021519</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Gender-related development index (GDI) value</td>
<td>0.7124842</td>
<td>0.7637777</td>
<td>0.0512935</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Contraceptive prevalence rate (%)</td>
<td>0.3366267</td>
<td>0.6100842</td>
<td>0.2734575</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Gender empowerment measure (GEM) value</td>
<td>0.5068979</td>
<td>0.8497615</td>
<td>0.3428637</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Seats in lower house or single house held by women (as % of total)</td>
<td>-0.16228</td>
<td>0.2572059</td>
<td>0.4194857</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Ratio of estimated female to male earned income</td>
<td>-0.50115</td>
<td>0.0589094</td>
<td>0.5600597</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>Secondary net enrolment ratio (female rate as % of male rate)</td>
<td>0.5718899</td>
<td>0.0413586</td>
<td>-0.530531</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>Maternal mortality ratio adjusted (per 100000 live births)</td>
<td>-0.556781</td>
<td>-0.469865</td>
<td>0.0869162</td>
<td>no</td>
<td>yes</td>
</tr>
</tbody>
</table>
Political conclusions

Present attempts to stabilize the world order by bringing in the major western industrialized countries plus Russia (the so-called G-8, composed by France; United States; United Kingdom; Russian Federation; Germany; Japan; Italy; Canada; European Union) must face up to the fact that these countries represent a declining part of world purchasing power. The rise of Asia makes the present G7/G8 structure increasingly irrelevant.

An interesting counter-position to overcome the present world governance inequalities is the G-20, largely created under the influence of Chinese foreign policy. The members of the G-20 are the finance ministers and central bank governors of the following 19 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Korea, Mexico, Russia, Saudi-Arabia, South Africa, Turkey, the United Kingdom and the United States. Another member is the European Union, represented by the Council presidency and the President of the European Central Bank. The managing director of the IMF and the president of the World Bank, plus the chairpersons of the International Monetary and Financial Committee and Development Committee of the IMF and World Bank also participate in the talks as ex-officio members.

Some real “ascending dragons” are outside the G-8 group. We can only underline here the point, driven home by the eminent US military strategist Colin S. Gray, who was an architect of President Ronald Reagan’s armament strategy in the 1980s:

“The menace of major, if not necessarily decisive, interstate war will return to frighten us when great-power rivals feel able to challenge American hegemony. If you read Thucydides, or Donald Kagan, you will be reminded of the deadly and eternal influence of the triad of motives for war: ‘fear, honor, and interest’.

Unquestionably, there has been a radical change in the character of the dominant form of terrorism since the end of Cold War. The roots of this phenomenon lie in a crisis within the Islamic domain. However, it is ironic that the United States contributed hugely, though inadvertently of course, to al Qaeda’s development with its vast level of support for the holy warriors who defeated the Soviets in Afghanistan. Strategists should never forget the peril of ambush by the malign workings of the law of unintended consequences.

Al Qaeda is justly regarded today as the defining threat of this era. The catastrophic events of 9/11 certainly brought down the curtain on the strategically somewhat aimless interwar
decade of the 1990s. But does the emergence of such terrorism signal an enduring change in the character of warfare? The answer has to be a resolute no. No guarantees can be offered, but it is as certain as anything can be in the inherently uncertain world of international conflict that al Qaeda will lose, and lose decisively. It will be beaten, but not by the United States and assuredly not by the US armed forces. Al Qaeda will be defeated by fellow Muslims devoted to moderate and modernizing policies.” (Gray, 2005: 22 – 23)

Following our reasoning, inspired by world system theory and world system governance, the “West” should try to accommodate as best as possible at least the legitimate aspirations of the rising world Muslim powers, like Indonesia, Turkey, Iran, Saudi Arabia, Egypt, Bangladesh, Malaysia, Algeria and Morocco. The policies of Turkish accession to the European Union and of the European Neighborhood Policies with the Mediterranean countries in the so-called Barcelona process have no alternative.

What is also really at stake in the forthcoming South eastern enlargement of the European Union to integrate Turkey is precisely to bridge the gap in these structures of global governance to include the largest Muslim economy of the globe into the structures of “global governance”. Europe would be well advised to evaluate the possible positive repercussions of the integration of the world’s largest Muslim economy into its fold also from this perspective. The top 18 global players control 90% of the world’s military expenditures. Likewise, global purchasing power is very unevenly distributed. In fact, the top 18 entities of the world economy – 17 nation states plus the EU-25 – again control 90% of global economic power, while the rest of the world just has 10%. However, there are serious imbalances among these world top power holders, insofar as the military power of the United States, Saudi Arabia, Russia, Turkey, Iran, Pakistan and China is not (as yet) supported by sufficient economic power, while in world military expenditure terms, the

10 Integrating Iran into the G-20 structure under the present regime with its tendencies to negate the Holocaust etc. is morally out of the question. The present author hopes that at the end of the day the Clergy will see to it that the regime returns to the conciliatory policies of Ayatollah Khatami [written October 24, 2006]. First of all, apart from the Jewish, Roma and other victims of the Nazi tyranny, thousands of Muslims were also murdered by the Nazi regime. Among them were people of Maghrebian decent working in France and joining the resistance, many among the some 80,000 Muslim prisoners of war from France, held by the Nazis, additional thousands of prisoners of war from such countries as the USSR etc. etc. The Turkish diplomat Selahattin Ulkumen received the honor of being named among the Righteous among the Nations at the Yad Vashem Holocaust memorial center in Jerusalem. He was the Turkish consul-general on the island of Rhodes which was under German occupation. In late July 1944, the Germans began the deportation of the island’s 1,700 Jews. Ulkumen managed to save approximately 50 Jews, 13 of them Turkish citizens, the rest with some Turkish connection. (see http://www.qantara.de/webcom/show_article.php/ c-469/ nr-273/i.html and http://www1.yadvashem.org.il/righteous/index_righteous.html).
EU-25, Japan, Mexico, Canada, Brazil, Indonesia and Argentina are dwarfs in comparison to their gigantic economic status. It is to be expected that these imbalances will be closed some way or the other during the coming years.

What does all this mean in terms of the concept of the “balance of power”? To quote again from Colin S. Gray:

“Where Is the Balance of Power? (...) America is the hegemon by default. (...) As noted already, the past 15 years comprised principally a postwar, or interwar, period. The political and strategic behavior of those years reflected the temporary context provided by a world abruptly deprived of its balance-of-power architecture. (...) We can predict that although the transformation push may well succeed and be highly impressive in its military-technical accomplishments, it is likely to miss the most vital marks.

There are a number of reasons for this rather harsh judgment. First, high-tech transformation will have only modest value, because war is a duel and all of America’s foes out to 2020 will be significantly asymmetrical. The more intelligent among them, as well as the geographically more fortunate and the luckier, will pursue ways of war that do not test US strengths. Second, the military potential of this transformation, as with all past transformations, is being undercut by the unstoppable processes of diffusion which spread technology and ideas. Third, the transformation that is being sought appears to be oblivious to the fact claimed here already, that there is more to war than warfare. War is about the peace it will shape.” (Gray, 2005: 20 – 21)

Europe’s economic power would suggest that Europe increases its share in global military expenditures by 4.7%, while America’s economic power, measured in the share of the US in world purchasing power, does not support their high share in global military outlays by more than 8%

Times and times again there was evidence in the literature that globalization leads to a cycle what Fernando Henrique Cardoso once termed:

- there is a financial and technological penetration by the developed capitalist centers of the countries of the periphery and semi-periphery
- this produces an unbalanced economic structure both within the peripheral societies and between them and the centers
- this leads to limitations on self-sustained growth in the periphery
• this favors the appearance of specific patterns of class relations
• these require modifications in the role of the state to guarantee both the
functioning of the economy and the political articulation of a society, which contains,
within itself, foci of inarticulateness and structural imbalance

We have shown in the analysis about world development since the 1980s that
uncontrolled globalization leads to no end of the problem of structural violence. If we really want
to achieve long-lasting breakthroughs in “global governance”, we have to re-consider the
theoretical and practical implications of the “CEPAL/ECLAC” - alternative approach to global
governance, and not simply rely on the forces of “world economic openness”. The synthesis of
our empirical research results allows the hypothesis that the mobilization of internal savings and
an active and stronger state, and less uncritical reliance on direct foreign investments, as was
correctly foreseen by the early CEPAL/ECLAC-school (Prebisch R., 1983, Prebisch R. 1986,
Prebisch R. 1988a, Prebisch R. 1988b, Singer P. I. 1971), are still the most efficient tools of
“global governance”. With neo-liberal economic and social governance continuing on an
unabated scale, and with the world hegemonic power play by the United States entering the limit
zone of its feasibility, the question about world systems governance transition enters the stage.

In their world-systems-based analysis of the spiral of capitalism and socialism, Boswell
and Chase-Dunn (2000) arrive at the conclusion that the European Union would be best fitted to
become an engine of socially progressive transformation of the world system. Such an analysis
would find lots of sympathy among labor-oriented or social-movement oriented circles on both
sides of the Atlantic and beyond, and is also reflected in various other ‘denominations’ of the
world systems profession, like in the statements by Samir Amin, who - although very critical of
the Union in its present form - speaks about the necessity for Europe to become an alternative
pole in the world economy, characterized by the tendencies towards unfettered globalization.

The European role in transforming the present-day western-biased global governance
system cannot be underestimated: the European Union as the driving force behind a movement
towards global governance, as the only and reasonable alternative to the workings of the capitalist
world system and its tendencies towards inequality and conflict, was on the minds of several
world system writers. This scenario is the policy-option and practical end-result of the assessment
of future trends in the world system, presented by Boswell and Chase-Dunn (2000). Although
there is wide agreement in the literature on the need of a transition of the world system to a
system of global governance (see Kiljunen, 2000), the ways to achieve this are more or less a theme for speculation. Such a scenario would find in contemporary Turkey an ideal partner.

* Adjunct Professor of Political Science at Innsbruck University, Austria. Website: [http://www.getcited.org/mbrz/10134373](http://www.getcited.org/mbrz/10134373). e-mail address: arno.tausch@yahoo.de. Available book titles at: [http://www.campusi.com/](http://www.campusi.com/) All correspondence to be addressed to arno.tausch@bmsg.gv.at Opinions expressed in this article are strictly those of the author in his capacity as an adjunct Professor at an Austrian University and they do not reflect the opinions of the Austrian Government.
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(here the file: Wilton Park etc.)

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