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Terrorism, Development & Trade: Winning the War on Terror Without the War

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TERRORISM, DEVELOPMENT & TRADE: WINNING THE WAR ON TERROR WITHOUT THE WAR

KEVIN J. FANDL*

INTRODUCTION	588
I. UNCOVERING THE ROOTS OF TERRORISM IN THE MIDDLE EAST	591
II. DISPARITIES OF WEALTH AND POLITICS WITHIN TERRORIST ORGANIZATIONS	593
III. FIGHTING THE RIGHT WAR: ATTACKING POVERTY INSTEAD OF PEOPLE	597
A. THE POVERTY APPROACH	597
B. EMPLOYING THE BEST WEAPON FOR THE TASK	604
IV. STRIKING AT THE TERRORIST TARGETS WITH AID AND TRADE	608
A. AID AGENCIES AT THE FRONT LINES	608
B. ERADICATING TERROR WITH TRADE	611
V. THE BIG GUNS: MULTILATERALS AND THE WTO	616
A. GROWTH THROUGH WORLD TRADE	617
B. REGIONAL AGREEMENTS AND THE MEFTA	621
C. GROWTH THROUGH FOREIGN DIRECT INVESTMENT	626
CONCLUDING REMARKS ON ENGAGING THE ENEMY ...	627

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INTRODUCTION

Globalization has been blamed for a number of ills in the world. It has been argued that globalization caused the increasing gap between rich and poor, degradation of environmental resources, domestic and international violence, and even terrorism.¹ Globalization has also been credited with an equally significant number of advances in the world. These advances include providing increased access to education, awareness and publicity of human rights violations in all regions of the world, and improved inter-cultural understanding.² Regardless of one's stance on globalization, it is a concept that cannot be ignored.

Terrorism,³ especially of late, impacts our lives routinely and took much of the world by surprise in recent years with its effect on political and social relations. Recent terrorist attacks have been hailed as representative of a policy of hatred toward the West, hatred toward capitalism, and hatred toward globalization.⁴ Many argue that

1. See generally Arthur C. Helton & Dessie P. Zagorcheva, *Globalization, Terror and the Movements of People*, 36 INTL. LAW. 91 (2002) (noting that the links between globalization and terrorism are not fully understood, but that analysts have warned that globalization can contribute to terrorism).

2. See KOFI A. ANNAN, WE THE PEOPLES: THE ROLE OF THE UNITED NATIONS IN THE 21ST CENTURY 9, U.N. Doc. DPI/2103, U.N. Sales No. E.00.1.16 (2000) (stating that "[t]he benefits of globalization are plain to see: faster economic growth, higher living standards, accelerated innovation and diffusion of technology and management skills, new economic opportunities for individuals and countries alike."), <http://www.un.org/millennium/sg/report/ch1.pdf> (last visited Feb. 12, 2004).

3. See REX A. HUDSON, WHO BECOMES A TERRORIST AND WHY: THE 1999 GOVERNMENT REPORT ON PROFILING TERRORISTS 17 (The Lyons Press 1999) (defining the term "terrorism"). According to the terrorist profile guide published by the U.S. Library of Congress, terrorism is defined as follows:

[u]nable to achieve their unrealistic goals by conventional means, international terrorists attempt to send an ideological or religious message by terrorizing the general public. Through the choice of their targets, which are often symbolic or representative of the targeted nation, terrorists attempt to create a high-profile impact on the public of their targeted enemy or enemies with their act of violence, despite the limited material resources that are usually at their disposal.

Id.

4. See, e.g., Sanam F. Vakil, *The Great Leap Backward: Review of Barry Rubin: The Tragedy of the Middle East*, 27 FLETCHER F. WORLD AFF. 209-11

the beginnings of modern terrorism are found in poverty, religion, and envy.⁵ And like globalization, one cannot ignore terrorism.

The aftermath of the September 11, 2001 events created a new atmosphere of fear and vengeance, imposed upon the world primarily by the United States and Britain.⁶ Hidden in this fear is a severe misunderstanding about the cause of terrorism, its remarkable ties to globalization, and the painfully underutilized solution to eradicating it as a means of political or social expression.

In this essay, I argue that the roots of recent forms of international terrorism, primarily those based in the Middle East, are planted in an impoverished and ill-nurtured soil.⁷ By examining the market structure and economic development of countries where recent terrorist activity has greatly increased, I contend that we will uncover a region poisoned with incomplete or inadequate development, limited employment opportunities, and infrequent interaction with both people from other cultures and potential trading partners.⁸ I suggest that much of this lack of development is caused by the absence of real markets, and the inability to sustain trade with commodities other than oil and, in effect, a failure to effectively globalize.⁹

(2003) (book review) (discussing recent terrorist attacks in the Middle East and the region's disappointment with democracy and angry perceptions of an overly involved United States).

5. Interview by Neal Conan with Edward Walker, President, Middle East Institute (June 3, 2003) [hereinafter *Walker Interview*] (defining the effects of a socio-economic crisis on the growth of terrorism in the Middle East), at <http://www.npr.org/programs/totn/transcripts/2003/jun/030603.barsh.html> (last visited Feb. 12, 2004).

6. See Shibley Telhami, *Conflicting Views of Terrorism*, 35 CORNELL INT'L L.J. 581, 581-85 (2002) (discussing the worldwide empathy expressed to the United States after September 11th and the controversial U.S. attempts to combat the "supply side" of terrorism).

7. See discussion *infra* Part I (discussing the roots of terrorism and economic disparity in the Middle East).

8. See *infra* Part I (exploring the economic realities in the Middle East with an emphasis on the effects of the oil market and economic under-development on the states in the Middle East).

9. See *infra* Part I (describing the area's oil economy and exploring how it relates to social stability).

My approach consists of five steps. First, I identify the reasons why most recent terrorist attacks against the West have originated in the Middle East.¹⁰ I briefly explore the common characteristics of terrorist recruits, including their class, opportunities and religious beliefs, and then I discuss why these characteristics play such a crucial role in the war on terror.¹¹

Second, I proffer a viable solution that the United States and many scholars recognize, but which is surprisingly absent from contemporary U.S. foreign policy.¹² This section concentrates on the awareness of, and pushes for the implementation of development programs aimed at market stabilization, judicial reform, and employment growth as viable weapons against terrorist recruiters.¹³ Specifically, I draw parallels between current approaches to fighting terrorism, increased violence, and regional instability.¹⁴

Third, I assess the role that investment from foreign aid agencies, investment banks, and corporations play in restoring the Middle East to a center of growth and enlightenment.¹⁵ This section also examines the role that free trade agreements and trade unions have played in the region.¹⁶

Fourth, I discuss the role of the World Trade Organization (“WTO”), by far the most noticeable beacon of globalization and market development.¹⁷ This section addresses the potential role of

10. *See infra* Part I (explaining the current economic crisis in the Middle East region).

11. *See infra* Part I.A (defining common characteristics and possible motivations of terrorist recruits).

12. *See infra* Part II (exploring the possible use of developmental aid as a means of deterring terrorism).

13. *See infra* Part II.A (discussing the benefits of market, judicial and employment development programs in the Middle East).

14. *See infra* Part II.B (reporting the results of current approaches to fighting terrorism).

15. *See* discussion *infra* Part III.A (discussing the issues and implications surrounding investment and foreign aid in the Middle East).

16. *See infra* Part III.B (exploring the economic and social impact of trade agreements in the region).

17. *See* discussion *infra* Part IV (generally describing the developmental role of the WTO).

such an agency in reshaping once powerful economies and the unusual absence and antipathy of Middle Eastern actors toward joining the world's largest international marketplace.¹⁸

Finally, I conclude by offering a strategy for approaching the terrorist dilemma by shifting the U.S. focus away from military might and toward investment and market development.¹⁹

My argument, while not profound, suggests that the increased involvement of the WTO, multinational corporations, international aid agencies, non-governmental organizations, and foreign investors focusing on the development of non-oil industries through a process of market diversification and stabilization will improve the lives of those living in the Middle East. I further contend that the increased involvement of these bodies will lessen or eliminate the frequency of terrorist attacks emanating from the region.²⁰

I. UNCOVERING THE ROOTS OF TERRORISM IN THE MIDDLE EAST

Terrorism is not a novel concept.²¹ It did not begin on September 11, 2001, nor will it end with the U.S. campaign against terror. Terrorism is in one sense an act of political expression, which generates grand-scale public attention to a particular group or cause. Yet, in another sense, it is an expression of despair and desperation for a better way of life.²² This despair leads to terrorism in large part because of an all too familiar word—oil.²³

18. See *infra* Part IV.A (exploring the membership reluctance and possible impact of the WTO on the Middle East).

19. See discussion *infra* Part V (arguing that investment and market development will more successfully control the growth of terrorism in the Middle East).

20. See *infra* Part I-V (discussing the inverse effect that economic development would impose on the growth of terrorism in the Middle East).

21. See generally Sharon Harzenski, *Terrorism, A History: Stage One*, 12 J. TRANSNAT'L L. & POL'Y 137 (2003) (providing a history of terrorism beginning with the French Revolution).

22. See Vakil, *supra* note 4, at 209 (arguing that socio-economic difficulties in the Middle East are the foundations of terrorism in the region).

23. See *id.* at 211 (addressing the disparaging effect the oil market had on the development of Middle Eastern countries).

The Middle East was not a haven to terrorists prior to its discovery of oil in the early twentieth century. It was at this moment that their national economies shifted from diverse agricultural and textile markets to single-commodity exporters.²⁴ The dependency on oil as a primary export grew rapidly, as did the wealth accumulated by the grand kingdoms of oil moguls. Those who could not enlist in the black gold industry were quickly sifted out and left with minimal opportunity for their own development. This led to the current economic crisis in the region, marked by severe unemployment and little or no opportunity for the development of competitive and sustainable industries other than oil, an industry that in itself is losing significant ground.²⁵

The result was a society unable to modernize, unable to grow, and unable to join the world market. Citizens were left with little opportunity to earn a living and developing significant anger toward those profiting from the otherwise expanding global market. Edward Walker from the Middle East Institute recently said:

When you've got unemployment rates running around [twenty] percent in many of the Arab countries, it means that young people who are graduating from universities can't get jobs, and in that society, it means they can't get married. It means they're frustrated, and it tends to lead to radicalization of the younger people in these countries. Some of them, at least, in that context, will turn to terrorism. So economic stability, economic opportunity is part and parcel—has got to be a part and parcel of the war on terrorism.²⁶

24. See generally Central Intelligence Agency, *The World Factbook: Saudi Arabia* (2002) [hereinafter *World Factbook*] (stating that in Saudi Arabia, “in the 1930’s, the discovery of oil transformed the country.”), at <http://www.cia.gov/cia/publications/factbook/geos/sa.html> (last visited Feb. 12, 2004).

25. See, e.g., Vakil, *supra* note 4, at 211 (indicating that “[f]or a time, oil revenues were able to mask economic mismanagement and fiscal profligacy. But with the decline of oil revenues in the early 1980s came the glaring reality of regional disparity highlighted by the lack of economic development.”). See generally NASA Ctr. for Educ. Technologies, *Economic Growth and Decline* [hereinafter *Economic Growth*] (showing the deleterious effects of a growing population and a shrinking export price for oil), at <http://www.cet.edu/earthinfo/meast/MEeco.html> (last visited Jan. 22, 2004).

26. See *Walker Interview*, *supra* note 5 (identifying that unemployment fosters the participation in terrorism).

Therein lays the problem. The discovery of oil led to a single-commodity industry for many countries in the Middle East.²⁷ This has prevented the development of a diverse array of industries that would allow these countries to be sustainable and competitive in the global marketplace and to enjoy more opportunity for growth in their home markets.²⁸ The reliance on oil as a primary export has left these budding economies to the whims of the fluctuating oil markets, which rise and fall with little predictability.²⁹ Those left without access to wealth or opportunity are left jobless, desperate, and susceptible to terrorist recruitment.³⁰

II. DISPARITIES OF WEALTH AND POLITICS WITHIN TERRORIST ORGANIZATIONS

Acts of terror throughout Lebanon, Palestine, and Saudi Arabia are increasing in frequency.³¹ And, while each terrorist group has its own

27. See Interview by Neal Conan with Charlene Barshefsky, Former U.S. Trade Representative (June 3, 2003) ("This is a very fragmented region. It is largely isolated from the global economy, despite oil, or to put it another way, oil is the only connection between the Middle East, particularly the Muslim Middle East, and the global economy."), at www.npr.org/programs/totn/transcripts/2003/jun/030603.barsh.html (last visited Feb. 12, 2004).

28. See *id.* (explaining the limited market opportunities available in the Middle East).

29. See *Economic Growth*, *supra* note 25, at 2 (finding that the discovery of oil wealth created disparity within both producing and non-producing Middle Eastern countries).

30. See, e.g., Hudson, *supra* note 3, at 77 (suggesting that while many terrorist groups find their recruits among middle-class professionals, Islamic terrorist organizations tend to "include substantial numbers of poor people, many of them homeless refugees"). I do not support the idea that poverty alone creates potential terrorists, which in effect would multiply the battleground in the war on terror ten-fold or more. See, e.g., *The National Security Strategy of the United States of America* (Sept. 2002) (quoting President Bush's contention that "[p]overty does not make poor people into terrorists and murderers. Yet poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks . . . within their borders."), available at <http://www.whitehouse.gov/nsc/nssintro.html> (last visited Jan. 22, 2004).

31. See, e.g., Lucien J. Dhooge, *A Previously Unimaginable Risk Potential: September 11 and the Insurance Industry*, 40 AM. BUS. L.J. 687, 697-98 (2003) (discussing the series of attacks by al Qaeda since 1993 and the increase in casualties beginning with the September 11th, 2001 attacks).

method of achieving its goals, each shares the common recruitment practice of seeking members from poor areas who have limited opportunities to support themselves.³² Poverty is rampant in rank and file Muslim terrorists; however, it is not found in the leadership of these groups.³³ So while the large majority of members of terrorist groups hail from impoverished areas in the Middle East and Southern Asia that do not afford sufficient opportunities for members' self sufficiency,³⁴ the wealthy leadership continue to belong "to an old tradition in which self-serving elites seize upon and manipulate the grievances of the poor."³⁵ By manipulating ideas and subsequently the minds of individuals, these power-hungry leaders are able to seize upon the lack of opportunity of these often impoverished and otherwise peaceful citizens, convincing them to rise up and take the lives of others and/or themselves in the name of the leadership's cause—not Islam, but vengeance.³⁶

The members of these groups are not natural-born terrorists. They were born into societies with little opportunity and no chance of making a better life for themselves.³⁷ Intertwined with these

32. See Hudson, *supra* note 3, at 76-77 (explaining the recruiting practices of many terrorist organizations).

33. Osama bin Laden received over \$300 million from an inheritance and has acted as a successful businessman by working with groups seeking political or social influence. See Hudson, *supra* note 3 (finding that only the leadership of Arab terrorist organizations hail from the middle and upper classes).

34. See Telhami, *supra* note 6, at 587 (indicating that "[t]o succeed, terror organizers, regardless of their aims, need to recruit willing members, raise funds, and appeal to public opinion in pursuit of their political objectives. Public despair and humiliation are often fertile ground for terror organizers to exploit. If this demand side persists, the terrorism phenomenon is unlikely to be contained.")

35. KEN BOOTH & TIM DUNNE, *Worlds in Collision*, in *WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER* 9 (Ken Booth & Tim Dunne eds., 2002).

36. See Telhami, *supra* note 6, at 587 (suggesting that terrorist leaders such as Osama bin Laden do not use their personal goals to recruit new members, but rather highlight the "issues that resonate with the public and that explain more fully the sense of despair and humiliation among Arabs and Muslims: the Arab-Israeli issue and sanctions against Iraq.")

37. See, e.g., *Walker Interview*, *supra* note 5 (explaining that the "gap has actually increased in the region between the rich and the poor. I do believe that there is a link, although not a direct one, between poverty and terrorism. Most of the terrorists are not impoverished. Most of them are frustrated, people who come from the

economic circumstances is an Islamic belief structure that advocates living a just and moral life.³⁸ Unfortunately for the victims of terrorist attacks, the writings of Islam do not specify with particularity the acceptable practices of a moral life.³⁹

Islam is not a violent religion, nor does it in any way encourage the use of violence to achieve personal goals.⁴⁰ It does not preach mass destruction of any group of people, nor does it allow for violence as a form of political expression.⁴¹ Instead, it instructs on the peaceful coexistence of different societies and the internal struggle for peace.⁴² “According to the Quran, [the] taking of one life is like the killing of all humankind.”⁴³ Islam serves as a guiding path for impoverished citizens, offering them hope that if they succeed in

middle class and have some education. So it's not exactly a direct link, it's more a question of whether jobs are available and whether people can feel good about themselves.”).

38. See United States Institute of Peace, *Special Report 82: Islamic Perspectives on Peace and Violence*, at 3 [hereinafter *Islamic Perspectives*] (listing many Muslim beliefs such as having a “duty to pursue justice,” of “doing good,” and of leading “sacred lives”), at <http://www.usip.org/pubs/specialreports/sr82.pdf> (last visited Jan. 22, 2004).

39. See *id.* at 1 (proffering that while Islam “does not teach Muslims to kill innocent people in the name of a political agenda” its teachings are often distorted to meet the desires of fundamentalists).

40. See *id.* (explaining that “Islam advocates numerous nonviolent and peace-building values and expects Muslims to live by them.”).

41. See *id.* (contending that it is a distortion of Islam to claim justification for killing in the name of a religion that teaches peace).

42. See *Libya Affirms its Stance Against Terrorism*, BBC WORLDWIDE MONITORING, June 7, 2003 (reporting the Libyan General People’s Congress noted that “Islam is a great religion that rejects violence, calls for love and peace and accepts dialogue between religions, civilizations and cultures.”); see also *Islamic Educational, Scientific and Cultural Organization*, Dr. Abdulaziz Othman Altwaijri, Director General of ISESCO, *The Sources of Arab Culture, Its Components and Characteristics* (stating that “[t]he Arab-Islamic culture, which originally stems from the Qur’an and the Sunna, is a broad-minded culture which preaches coexistence, dialogue and understanding.”), at <http://www.isesco.org.ma/pub/Eng/Arabiculture/page2.htm> (last visited Jan. 22, 2004).

43. See *Islamic Perspectives*, *supra* note 38, at 1 (contending that it is a distortion of Islam to claim justification for killing as a religion that teaches peace instead of violence).

living a life based on the tenets taught by Islamic leaders, they will be rewarded after death.⁴⁴

As in any impoverished, religiously-devout society, many followers of Islam in the Middle East are subject to manipulation through the teachings of influential and powerful leaders that often tout themselves as inspired by God.⁴⁵ These leaders provide the primary source of education for a large portion of the population. For instance, only fifty-seven percent of the people in Saudi Arabia are able to attend primary school,⁴⁶ while one-hundred percent follow the tenets of Islam.⁴⁷

These statistics show the significant potential for the misrepresentation of Islamic law to further political or personal goals. Religious authority figures could easily manipulate young, uneducated citizens into believing that their cause is righteous and that it will affirm their belief in Allah.⁴⁸ This is most evident in the stated goals of the al Qaeda organization:

Initially, al Qaeda seeks to establish a pan-Islamic religious movement for the promotion of its political aims. This pan-Islamic movement seeks to unify Muslims through the provision of social and educational services.

44. Qur'an, *Al-Sajadah* 32:17, at <http://www.usc.edu/dept/MSA/quran/032.qmt.html> (last visited Feb. 12, 2004).

45. See, e.g., Skidmore College, *Introduction to Islam and Women in Islamic Cultures* (explaining that Imams among the Shi'a Muslims are thought to be "divinely inspired and infallible"), at <http://www.skidmore.edu/academics/arthistory/ah369/intro.html> (last visited Jan. 22, 2004).

46. See UNESCO Statistics Division, *Education Enrollment Ratio, Net, Primary Level, Both Sexes* (2000) (showing a less than fifty-eight percent rate for Saudi Arabia as compared to a more than ninety-six percent rate for the Palestinian territories), at http://millenniumindicators.un.org/unsd/mi/mi_series_results.asp?rowID=589&fID=r15&cgID (last visited Jan. 22, 2004).

47. See *World Factbook*, *supra* note 24 (providing that Islam is the sole religion in Saudi Arabia with a one-hundred percent following made up of various ethnic groups, and noting that the Saudi Arabian legal system is based on Islamic law).

48. See ROLAND JACQUARD, *IN THE NAME OF OSAMA BIN LADEN: GLOBAL TERRORISM & THE BIN LADEN BROTHERHOOD* 101 (Duke Univ. Press 2002) (learning in an interview with Mohammed Atef that America is weak in battle against Islamic martyrs, the author suggests that "for the fundamentalists, [martyrdom] was earning visas to paradise.").

Second, al Qaeda seeks to expel Westerners and non-Muslims from traditional Muslim areas, including Saudi Arabia and the states bordering the Persian Gulf. The third principle is the expulsion of Muslim leaders deemed to have deviated from fundamental tenets of Islam, such as the Fahd dynasty in Saudi Arabia and the regime of Pervez Musharraf in Pakistan. A fourth principle of the organization is revenge for the perceived historical mistreatment of Muslims throughout the world. Finally, and most ambitiously, al Qaeda desires the establishment of a religious state throughout the Islamic world by restoration of the caliphate.⁴⁹

The al Qaeda example demonstrates how terrorists manipulate religious ideology to achieve their goals.

III. FIGHTING THE RIGHT WAR: ATTACKING POVERTY INSTEAD OF PEOPLE

A. THE POVERTY APPROACH

In his final speech in the United Kingdom as President of the United States, Bill Clinton stressed: “we have seen how abject poverty accelerates conflict, how it creates recruits for terrorists and those who incite ethnic and religious hatred, [and] how it fuels a violent rejection of the economic and social order on which our future depends.”⁵⁰ His words carried more significance than he could have known at that moment.⁵¹

The terrorist networks that have come about in recent history are a significant threat to world security not only because of the suicidal methods they employ, but also because of the status of the countries

49. See Dhooge, *supra* note 31, at 697-98 (2003) (outlining the goals of the al Qaeda movement).

50. See President William Jefferson Clinton, Remarks at the Dimpleby Lecture (Dec. 14, 2001) [hereinafter *The Dimpleby Lecture*] (describing what forces contributed to terrorism before the events of September 11, 2001 in the United States), *available at* http://www.bbc.co.uk/arts/news_comment/dimpleby/clinton2.shtml (last visited Jan. 22, 2004).

51. See, e.g., CINDY C. COMBS, *TERRORISM IN THE TWENTY-FIRST CENTURY* 66 (3d ed. 2003) (“The poverty and hunger in the developing nations threaten social and political stability, while providing fertile ground for those who want to blame the Western governments for these conditions.”).

where these networks recruit new members, engage in training exercises and where the leadership seeks refuge. These countries are not equipped politically or economically to design proactive plans to uproot such organizations in their own countries, despite their expressed efforts to do so.⁵² They are developing countries with weak, or no, democratic political structure with which to coordinate such efforts. They do not have the resources that European countries, for instance, have in place to take preventative measures in order to sustain peace.⁵³

The George W. Bush Administration indicated that it "is aware of the link between desperate economic circumstances and terrorism."⁵⁴ Yet, rather than working to develop sustainable economies capable of both directly (through increased political pressure and rule of law programs) and indirectly (through increased employment opportunities and social stability) eradicating terrorism, President Bush has chosen to dedicate significant resources to a military conquest against the elusive concept of terrorism itself.⁵⁵ Many Americans and, to a much lesser extent, other Western citizens, support the view that terrorism can be fought with tanks and

52. See, e.g., U.S. State Dep't Int'l Info. Programs, *Rice Welcomes Arab Leader Agreement to Curb Terrorist Financing* (June 4, 2003) (reporting on President Bush's attempts to help Arab leaders organize and increase their commitments and communications on combating terrorism in the Middle East), at <http://usinfo.state.gov/regional/nea/potus/texts2003/030604rice.htm> (last visited Jan. 22, 2004).

53. See, e.g., Dinah Shelton, *Protecting Human Rights in a Globalized World*, 25 B.C. INT'L & COMP. L. REV. 273, 299 (2002) (exploring the problems faced by developing countries with regard to containing terrorism).

54. See Hale E. Sheppard, *Revamping the Export-Import Bank I 2002: The Impact of This Interim Solution on the United States and Latin America*, 6 N.Y.U. J. LEGIS. & PUB. POL'Y 89, 121 (2002-2003) (describing the Bush Administration's efforts to eliminate the breeding grounds for terrorism in Latin America's impoverished areas).

55. *But see* Robert B. Zoellick, *Countering Terror with Trade*, WASH. POST, Sept. 20, 2001, at A35 (suggesting that the Bush Administration has not ignored the value of trade in fighting war against terrorism). U.S. Trade Representative Robert Zoellick argued, just nine days after the September 11th events, the need for the U.S. to promote trade, a value at the heart of the conflict. *Id.*

bombs.⁵⁶ They obstinately believe that military technology is capable of uncovering each potentially threatening terrorist cell and keeping the West safe.⁵⁷ This conventional method of warfare, while effective in pinpointing targets in complete darkness, will be useless in eliminating the ideology that fuels terrorism. Terrorists are non-conventional actors using non-conventional means through amorphous concepts that cannot be identified, contained, or labeled. These are actors whose most potent weapon is the communication of ideas among masses of people awaiting an opportunity for a better life. Many of us watch in excited anticipation for Osama bin Laden's capture and/or death. However, we should rest assured that whether he is still alive will have no bearing on the control that his ideas, and the ideas of those like him, have on the impoverished and desperate in the Middle East, South Asia, and perhaps beyond. No military technology will be able to destroy the prevalence and furtherance of those ideas.⁵⁸

A Washington, D.C. lawyer recently made a connection between terrorism and the role that a government plays in fighting poverty among its own people. He stated, “[i]f governments . . . fail to counteract [despondency resulting from poverty and oppression] by meeting the basic needs of their people, then these areas will become ‘havens for terror.’”⁵⁹ Because of its exceedingly high unemployment rate, evaporating gross domestic product growth, and lack of free markets and stable financial institutions, the Middle East is a prime

56. See Courtland Milloy, *War Hawks Blinded By Hardened Hearts*, WASH. POST, Mar. 31, 2003, at B1 (commenting on Americans' support for the war on Iraq and the dominance of “war hawks” in the current political environment).

57. See, e.g., Benjamin R. Barber, *Democracy and Terror in the Era of Jihad vs. McWorld*, in *WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER*, *supra* note 35, at 245, 246-47 (“Eliminating terrorists will depend on professional military intelligence and diplomatic resources whose deployment will leave the greater number of citizens in the [United States] and throughout the world sitting on the sidelines.”).

58. See Colum Lynch, *Musharraf Criticizes Terror War: Pakistani President Says Muslims Are Feeling Targeted*, WASH. POST, Sept. 23, 2003, at A12 (quoting statements from various global leaders that military force is ineffective against terrorism). U.N. Secretary-General Kofi Annan stated that in “the fight against terrorism, ideas matter” and that we “delude ourselves if we think military force alone can defeat terrorism.” *Id.*

59. Sheppard, *supra* note 54, at 121.

target for terrorist recruiters.⁶⁰ Countries of the Middle East, with the help of Western states, must take action to promote market reform, develop political transparency, and create jobs in multiple sectors of the regional economy.

The impact of additional terrorist cells emerging around the world will significantly damage the nation-state regime that has been in place for almost 400 years.⁶¹ What some consider to be “local terrorist groups” have brought about reform in some facet of their government institutions through representation in legislative bodies or public attention to and subsequent adjustment of negative government policies.⁶² However, international terrorist groups like those we have seen in recent months are seeking government coalescence in their efforts rather than government reform.⁶³

Developing nations’ governments are often weak and unable to protect their citizens, much less initiate measures to prevent the development of terrorist groups from arising within their borders.⁶⁴

60. See Edward Gardner, International Monetary Fund, *Creating Employment in the Middle East and North Africa* (2003) (contending that the high unemployment and decreasing growth in the region are the “most urgent and destabilizing problems, fueling social tensions, encouraging migration, and making job creating a top priority”), at <http://www.imf.org/external/pubs/ft/med/2003/eng/gardner/> (last visited Jan. 22, 2004).

61. See Philip M. Taylor, *Credibility Can't Win Hearts and Minds Without It*, WASH. POST, Mar. 30, 2003, at B2 (suggesting that the United States’ military intervention in Iraq and its fight against terrorism has changed the basic principle of non-interference in other countries’ politics that was established by the Treaty of Westphalia in 1648).

62. See Margarita Gonzalez de Pazos, *Indigenous Renaissance: Law, Culture and Society in the 21st Century: Mexico Since the Mayan Uprising: Government and Zapatista Uprisings*, 10 ST. THOMAS L. REV. 159, 165 (1997) (describing the Accord between the Zapatistas of Mexico and the Mexican government that granted them representation rights).

63. See DILIP HIRO, *WAR WITHOUT END: THE RISE OF ISLAMIST TERRORISM AND GLOBAL RESPONSE* 397 (Routledge 2002) (describing the various violent and non-violent tactics of terrorist leaders seeking to persuade their followers to ensure the support of their host states). Some of these leaders present Islam “as a religion of justice and equity and decry the current ruling elite as unjust, un-Islamic and corrupt, deserving to be overthrown, or at the very least replaced non-violently by true believers.” *Id.*

64. See Paul Blustein, *Commitment to World's Poor Nations Is Reaffirmed; Rebuilding of Iraq Is Not To Shift Global Aid Plan*, WASH. POST, Apr. 14, 2003, at A26 (reporting the World Bank data concerning poverty, health, and education in-

The weakest regimes in developing countries will collapse completely and only independent factions will remain to claim power over the people, resulting in a situation similar to the superficial peace created in Iraq in early 2003:

Peace is turning out to be hell for average Iraqis. Electricity is still out in many parts of Baghdad. Looting is rampant, as thieves fill trucks with everything from scrap wood to crates of weapons. The threat of carjacking and kidnapping keeps people locked inside their houses. Drinking water is dicey. Many can't return to work, while children can't attend school. Skirmishes are breaking out among Kurdish and Arab rivals in the oil-rich north. In the south, the long-repressed Shiite majority is flexing its muscles amid growing concern about Iranian interference.⁶⁵

If weak regimes in developing countries are not strengthened, it is likely that chaos will befall each Middle Eastern and South Asian country when the international "crackdown" on terrorism comes upon them. This is partly because of the resulting backlash from targeted groups and is another unacceptable side effect of using conventional means of warfare to combat terrorism.

The U.S. "war on terrorism"⁶⁶ is an attempt to combat an ideology created by intense poverty and mis-education with the swift application of violent military force and political palliatives.⁶⁷ This strategy will be ineffective in achieving its vast goals. "When people are embittered and brutalized and prepared to throw away their lives, nothing we do to them will terrorize and deter them."⁶⁸ Our efforts to

dicators in many developing countries, and describing the shortage of international funds to address these issues).

65. Stan Crock, *How the U.S. Can Keep Iraq from Unraveling*, BUS. WK., June 2, 2003, at 28.

66. See Zbigniew Brzezinski, *Why Unity Is Essential*, WASH. POST, Feb. 19, 2003, at A29 (arguing that the Bush Administration's definition of the war against terrorism as a fight against "evildoers who hate freedom," is excessively theological and has isolated the United States internationally).

67. See Telhami, *supra* note 6, at 586 (stating that "[b]y regarding terrorism as the product of organized groups that could be confronted and destroyed, without regard to their aims or to the reasons that they succeed in recruiting many willing members, the United States pursued a 'supply-side' only approach.")

68. See Bhikhu Parekh, *Terrorism or Intercultural Dialogue*, in *WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER*, *supra* note 35, at 270, 271 (Ken Booth & Tim Dunne, eds., 2002) (arguing for the use of dialogue in

fight terrorists with traditional weapons will go a long way in eliminating rank and file members of some of these groups, and in some instances may even strike at their leadership. But in no way do targeted killings or bombing campaigns have any noticeable effect on the root causes of terrorism. In fact, these efforts are likely to stimulate increased retaliation and hatred for the West to the extent that they are seen as attacks on Islam.⁶⁹ Instead, we should implement a comprehensive development program that addresses legal, social, and economic concerns.⁷⁰ The 1999 U.S. government profile on terrorists noted this point, but it has been largely ignored in post-September 11th agendas.⁷¹

Economic sanctions are another method utilized in addressing the rise of terrorism in the Middle East. The concept in itself seems counterintuitive in that it is often foreign economic sanctions or domestic economic failures that contribute to the popular support of alternative means to achieve liberation.⁷² But politicians persist that sanctions continue to generate support and should be considered as an option to confront terrorism. The U.S. State Department stated in 1986 that “[i]n addition to their potential economic effect on the target country, sanctions can send a powerful non-military signal that the United States will take measures to exact costs from states that

combating terrorism, and stating that “if terrorism is reprehensible, anti-terrorist terrorism is no better”).

69. See Lynch, *supra* note 58, at A12 (quoting Pakistani President Musharraf’s statement that the “U.S.-led war against terrorism” has crystallized the perception that “Islam as a religion is being targeted and pilloried.”).

70. See, e.g., Brink Lindsey, *The Trade Front: Combating Terrorism with Open Markets*, 24 TRADE POL’Y ANALYSIS 5 (2003) (arguing that the United States is missing an important opportunity to win the war on terror by pursuing a broader trade strategy), available at <http://www.freetrade.org/pubs/pas/tpa-024es.html> (last visited Jan. 20, 2004).

71. See Hudson, *supra* note 3, at 103 (indicating that “[r]ather than retaliate against terrorists with bombs or cruise missiles, legal, political, diplomatic, financial, and psychological warfare measures may be more effective.”)

72. See, e.g., Joseph Bradica, *Havana Club Rum: One Step Back for U.S. International Trademark Policy*, 16 TEMP. INT’L & COMP. L.J. 147, 172 (2002) (explaining that the United States did not ease its sanctions against Cuba until the economic conditions in Cuba became too extreme to ignore).

support terrorism.”⁷³ But the State Department also advised in the same bulletin that “blanket prohibitions” on trade would disrupt U.S. business interests, and urged the U.S. Senate to be cautious about the effect that sanctions would have on our allies’ commerce.⁷⁴

Economic sanctions have a significant impact on the economy of a developing country.⁷⁵ However, the negative effects of increased unemployment, a constrained ability to export goods, and the inability to receive significant international development aid are most often felt by the populace rather than the intended governmental targets. The result is a population left struggling to make a suitable living under the regime of a bitter and powerless government. These regimes are often supported by the funding of extremist groups.⁷⁶ As such, there is no motivation to discourage the teachings of Islamic fundamentalists nor to prevent them from recruiting vulnerable members into their cadres.

73. See U.S. Dep’t of State Bulletin, *Economic Sanctions to Combat International Terrorism*, Oct. 1986, at 27 (responding to a request from Senator Lugar to conduct an analysis of the use of economic sanctions to fight terrorism).

74. See *id.* (stating that “[l]egislation which would tie our hands by mandating blanket prohibitions on trade could potentially harm U.S. business and our relations with our allies without imposing any significant costs on the target country.”).

75. Sanctions against Cuba, Iraq, and Libya have resulted in severe negative effects on impoverished communities. See, e.g., Bradica, *supra* note 72, at 172 (indicating that “[u]ntil the recent release of medicine and food from the U.S. to Cuba, the U.S. legislature had turned a blind eye to the poverty and dangerous living conditions caused by the U.S. Embargo.”); see also Don Henshaw, *Sanctions Another Weapon of War*, CAMBRIDGE REP., Apr. 25, 2003, at A6 (speaking about the 500,000 children killed as a result of economic sanctions against Iraq, the author claims that “[b]y now we should all realize that sanctions never did anyone any good whatsoever: like tax cuts and warfare, sanctions further empower the already powerful and further impoverish the already poor.”); Fred Halliday, *Libya Undermines the Myth of the Special Relationship: Britain and Europe Believe There are Benefits Derived from Having Direct Diplomatic Links*, INDEP. (LONDON), July 9, 1999, at 4 (finding that “a decade of sanctions has left Libya’s public and private sectors impoverished, and its people demoralised.”).

76. See Douglas Farah, *Al Qaeda’s Finances Ample, Say Probes; Worldwide Failure to Enforce Sanctions Cited*, WASH. POST, Dec. 14, 2003, at A01 (noting that al Qaeda, who sponsored the Taliban government in Afghanistan, continues to have ample funding resources).

B. EMPLOYING THE BEST WEAPON FOR THE TASK

Much to the dismay of the campaigners against terror, terrorists have an unlimited arsenal of weapons to use against those they desire to harm. One of the features that set terrorist attacks apart from traditional warfare is the common resort to creative, inexpensive and often unexpected means of attack, such as via airplane missiles, subway gassings, or boat bombs.⁷⁷ Conversely, those confronted by terrorism have a limited arsenal to protect against these attacks.⁷⁸ They must rely on technology and intelligence that has worked in past military confrontations, which often results in significant destruction, yet enjoys surprisingly little success in achieving its broader goals in the war on terrorism. As recent events have shown, the methods employed by the terrorists and the West will make for a modern day David and Goliath showdown.

However, there are other, potentially more successful means of protecting ourselves against terrorism, and even preventing it before it begins. These alternative means take a great deal of time and effort and require patience in securing an outcome. There is no quick-fix for this long-incubated explosion of violence, and the process must be approached with caution as it involves the coordination of political, economic and social change. For example, as will be discussed more thoroughly later in this essay, the United States Middle East Free Trade Area (“MEFTA”) is scheduled to be developed within the next decade and will contribute significantly to this change.⁷⁹

Attacking the root causes of terrorism is an often discussed but a seldom practiced concept. Addressing the problem would require

77. See Paul Rogers, *Political Violence and Global Order*, in *WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER*, *supra* note 35, at 215, 218-19 (detailing instances of unexpected terrorist attacks including the 1995 Tokyo subway gassing and the USS Cole bombing).

78. See *id.* at 223 (emphasizing that the September 11th attacks demonstrated the “vulnerability of highly developed states to asymmetric paramilitary action”).

79. See U.S. Dep’t of State, *Bush Calls for U.S.-Middle East Free Trade Area*, May 9, 2003 [hereinafter *Call for Free Trade*] (citing President Bush’s commencement address at the University of South Carolina in which he proposed the establishment of a United States-Middle East free trade area within a decade), at <http://usinfo.state.gov/regional/nea/summit/text2003/0509bushfta.htm> (last visited Jan. 20, 2004).

extensive diplomatic efforts, long-term economic growth plans,⁸⁰ and significant social and cultural adjustments for both Easterners and Westerners.⁸¹ News articles and organizational efforts to influence politics toward an agenda of prevention by attacking root causes rather than surface-level targets are prevalent.⁸² However, despite U.S. efforts to vocalize the problem, the pressure to develop reform and seek long-term solutions is largely coming from the international arena outside the United States.⁸³

The present terrorist threat is alarming, not just because it has awakened Americans to the fact that they are vulnerable to such violence, but also because it has awakened the international community to the fact that terrorism has a significant effect on financial markets and exposes a country's underlying decay in development.⁸⁴ Initially, this sounds like a subtle or collateral statement in the context of terrorism, but it may pose more of a threat

80. See Rogers, *supra* note 77, at 223 (contending that long-term economic development programs are necessary to fight terrorism, which "requires radical changes to policies on the debt crisis, the promotion of trade reforms specifically linked to the trading prospects of the South and the encouragement of economic cooperation for gendered and sustainable development").

81. See CHARLES DERBER, *PEOPLE BEFORE PROFIT 8* (2002) (suggesting that global democracy building and reform through globalization needs to be viewed "as a long-term evolving process rather than a magic bullet").

82. See, e.g., Shada Islam, *US-EU Rift on Iraq: A Matter of Principle*, BUS. TIMES (SINGAPORE), Feb. 18, 2003 (describing international interest in addressing the root causes of terrorism through multilateral action), 1003 WL 2350705; Rosemary Righter, *Beware the Chancellor's 'New Global Order,'* TIMES (LONDON), Feb. 4, 2003, at 27 (reporting on British Chancellor Gordon Brown's anti-poverty drive to help the world's poor in an effort to prevent terrorism), 2003 WL 3101503.

83. See Betsy Pisik, *Powell Promises Battle on Poverty; Tells Economic Forum Fight Will be Front of Terror War*, WASH. TIMES, Feb. 2, 2002, at A1 (quoting Secretary of State Colin Powell's speech to the World Economic Forum on Feb. 1, 2002, "[w]e have to go after poverty. We have to go after despair. We have to go after hopelessness"). At the same forum, Philippine President Gloria Macapagal-Arroyo directly linked terrorism to poverty when she called poverty the "handmaiden of terrorism." *Id.*

84. See Fred Halliday, *A New Global Configuration*, in *WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER*, *supra* note 35, at 235, 237-39 (explaining a post-September 11th shift in perceptions about globalization). The author predicts that "institutions of global financial and macroeconomic management will now be put to the test and given greater political support." *Id.* at 239.

than an act of terrorism alone. The threat of terrorism has the potential to disrupt the careful balance of power currently in existence, and could create significant global instability, leading to increased violence.⁸⁵

Speaking with regard to the passage of the Export-Import Bank Reauthorization Act of 2001, U.S. Representative J.C. Watts from Oklahoma said that “we must reach out to developing nations across the globe, often beset by forces of terror, and demonstrate how free markets, open trade, and private enterprise under the rule of law can lead to prosperity for their citizens. Our national security improves when global stability prevails.”⁸⁶ The Act was passed with new guidelines stipulating that, when determining project viability for financing, the Bank can take into consideration the cooperation of the host government in the fight against terrorism.⁸⁷

Policies such as this are directed at one of the root causes of terrorism—the failure of market development.⁸⁸ By linking international development projects to the prevention of terrorism, the Export-Import Bank is effectively establishing a blueprint for the minimum threshold of stability prior to its engagement in projects within any country. Indeed, the Bank is well-aware of the need for some minimal level of stability if a project is to secure foreign investment, even from high-risk investors.⁸⁹

However, this conditional support prevents the benefits of globalization and development through projects such as this from reaching the people who need it most. The most appropriate time for

85. See, e.g., Sheppard, *supra* note 54, at 122 (noting that our national security is dependent upon the prevalence of a stable global environment).

86. See 148 CONG. REC. H1773, at H1785 (daily ed. May 1, 2002) (statement of Rep. Watts).

87. See Export-Import Bank Reauthorization Act of 2002, Pub. L. No. 107-189, 116 Stat. 698 (June 14, 2002) (enabling the Export-Import Bank to consider foreign countries' assistance to the United States in its efforts to combat terrorism).

88. See Halliday, *supra* note 84, at 238 (arguing that an important result of the September 11th attacks is a shift away from a “neo-liberal firth in the market” back to “the management of the world economy”).

89. See DERBER, *supra* note 81, at 6 (“Globalization demands a world of open borders, where goods and services, people, and money are easily and safely exchanged. Closed borders, anthrax anxiety, and fear of flying or foreigners signal the end of globalization as we know it”).

the World Bank and similar institutions to begin a development project is when terror recruiters are lurking in neighborhoods, searching for new recruits. These projects should be locally-staffed, sponsored by the U.S. Export-Import Bank, and supported by a coalition of global financiers. Then the choice for these would-be terrorists would be to lash out at their oppressors by becoming a martyr, or to engage in productive work that will feed their family and provide a future for their community.⁹⁰ Of course the concern remains that increased democratization and market development in these high-risk developing countries could fuel the hatred of Western ideas.⁹¹ Past projects demonstrate that local communities must lead in the first steps at market development, and that by advisement and support, rather than hostility and competition multilateral institutions must guide those local communities.⁹² The Reauthorization Act offers hope because it identifies the strong link between trade and terrorism, but it must go further and recognize that trade is a weapon against terrorism, not merely a reward for its prevention.⁹³

90. See *id.* at 10 (arguing that globalization cannot avoid situations in which democracy and stability are not apparent).

91. See *id.* at 12 (noting that individuals in many countries perceive globalization as a “loss of choice” and believe that their own governments abandon them to become “servants of an American-backed leviathan.”).

92. See Exp.-Imp. Bank of the United States, *Ex-Im Bank Signs Agreement to Support Trade Bank of Iraq* (providing that the U.S. Export-Import Bank recently signed an agreement to support the funding of the trade bank of Iraq, offering them the support they need without direct involvement), at <http://www.exim.gov/pressrelease.cfm/47CA2AAE-EAF4-AA78-4655879789C765F2/> (last visited Jan. 16, 2004).

93. See Congressman John LaFalce, *Address at the Ex-Im Annual Conference* (May 2, 2002) (claiming that the terrorist attacks on September 11th emphasized the importance of economic engagement with the rest of the world and stating that “top-level diplomacy will ultimately fail if it is not supported by bottom-up engagement in the political, the social, and the economic spheres.”), at <http://www.exim.gov/news/speeches/may0202.html> (last visited Jan. 16, 2004).

IV. STRIKING AT THE TERRORIST TARGETS WITH AID AND TRADE

A. AID AGENCIES AT THE FRONT LINES

Poverty in regions where terrorism spawns is not a novel concept, nor is it one that has not been addressed by multilateral, governmental, and non-governmental organizations, such as the United States Agency for International Development (“USAID”), the World Bank and the Canadian International Development Agency (“CIDA”).⁹⁴ Organizations like these have been addressing poverty since their inception, long before the tragedy that befell the United States on September 11th. In many instances, these organizations remain the last ones to leave a country heading toward or enveloped in a conflict.⁹⁵

Terrorist acts are not a central focus of the work of these agencies in part because such acts rarely create large-scale humanitarian disasters.⁹⁶ It is important to point out that “the 3,000 who died in New York [on September 11th] were less than half the number of children who die from diarrhoea [sic] (caused by the lack of a clean

94. See U.S. Dep’t of State, *USAID Strives to Minimize [sic] Conditions That Foster Terrorism*, Mar. 26, 2003 [hereinafter *USAID Strives to Minimize*] (reporting that USAID Deputy Assistant Administrator Gordon West stated, “[t]he U.S. National Security Strategy identifies development assistance as one of the three pillars necessary to assure our national security, [and USAID] plays a major role in minimizing the conditions that foster terrorism, instability and other global threats.”), at <http://usinfo.state.gov/topical/pol/terror/03032622.htm> (last visited Jan. 16, 2004).

95. See, e.g., Interview by Abderrahim Foukara with Kofi Annan, Secretary-General, United Nations (Apr. 2, 2003) (noting that the United Nations stayed in Baghdad later than any other agency as the war in Iraq took hold, but ultimately withdrew to ensure security of personnel), at <http://www.un.org/apps/sg/offthecuff.asp?nid=407> (last visited Jan. 16, 2004).

96. See Edward C. Luck, *Discussion Paper for the Roundtable on Protection, Terrorism, and Counter-Terrorism* 8 (stating that “[t]he scale of most terrorist attacks, at least until the destruction of the World Trade Center, had been relatively modest compared to major humanitarian disasters.”), available at <http://www.sipa.columbia.edu/cio/cio/projects/OCHALuckppr.pdf> (last visited Jan. 22, 2004).

water supply) somewhere in the world every day.”⁹⁷ But aid agencies are unwittingly at the front lines of the war on terror,⁹⁸ and by addressing problems like poverty, access to clean water, disease, and starvation, these agencies attack the root causes of terrorism without firing a shot.⁹⁹

Eradicating poverty is the single most potent solution to the problem of terrorism.¹⁰⁰ Reducing poverty improves health, and thus the sanctity of life; it permits access to education, and thus the ability to learn new skills and about the co-existence of cultures; it generates freedom; it spurs democracy; and it creates new opportunities for growth.¹⁰¹ A reduction in poverty levels allows for stable democratic regimes to emerge, leading in time to the implementation of the rule

97. See *Never Forget the Other Terror*, NEW STATESMAN (London), Nov. 5, 2001, at 6 (emphasizing the need for humanitarian agencies to focus their efforts and resources on larger humanitarian disasters and that the underprivileged people with whom they work “with empty stomachs and dying children do not immediately see that a world ruled by Bushes and Blairs would be superior to one ruled by the likes of Bin Laden.”), http://www.findarticles.com/cf_dls/m0FQP/4562_130/80023098/p1/article.jhtml (last visited Feb. 20, 2004).

98. See Catherine Philp, *On the Front Line of America's Forgotten War*, TIMES ONLINE, Feb. 13, 2003 (describing the danger to the aid organizations in Afghanistan: “[t]here are almost daily attacks not only on American soldiers and their Afghan allies, but also on foreign aid agencies and civilians.”), at <http://www.timesonline.co.uk/article/0,,5461-576490,00.html> (last visited Jan. 22, 2004).

99. See *USAID Strives to Minimize*, *supra* note 94 (reporting that USAID Deputy Assistant Administrator Gordon West found conditions such as poverty, disease, unemployment, and corruption provide “fertile breeding grounds for terrorists,” thereby creating an environment where individuals are lured into terrorist groups).

100. See Telhami, *supra* note 6, at 587 (emphasizing that as both the Arab-Israeli issue and sanctions against Iraq contribute to this sense of despair and humiliation “[p]ublic despair and humiliation are often fertile ground for terror organizers to exploit.”).

101. See John Langmore, *A Callous Snub to the World's Poor*, SYDNEY MORNING HERALD, June 27, 2000, at 15 (reporting that member states of the United Nations agreed to adopt a global goal to reduce the proportion of individuals living in extreme poverty by 2015 and that the principal manner in which to achieve this is to “empower the poor” through the availability of education, health services, and credit for small businesses).

of law and the growth of a viable justice system.¹⁰² Aid agencies recognize the need to bring about economic growth and stability to impoverished regions of the world in order to pave the way for development policies that teach sustainability. For instance, a recent USAID report stated:

Effective economic governance makes development possible. Growth policies can be made to have the benefits reach the poor. But in most developing countries the real challenge is achieving any kind of sustainable growth and over the long term, a growing economy is required to reduce poverty. At least for the next generation, U.S. efforts to reduce poverty in developing countries must focus on promoting growth in developing economies.¹⁰³

However, one must understand that a war on poverty will fail if it consists solely of aid money in the form of development grants and emergency relief funds.¹⁰⁴ Critics of development aid in the Middle East, for instance, argue that this type of aid is ineffective in Muslim countries because of the failure of Arab governments to enact policies that utilize the aid effectively.¹⁰⁵ Thus, poverty must be

102. See Pamela Constable, *Tajikistan Struggles in Post-Soviet Poverty*, WASH. POST, Feb. 12, 2001, at A14 (emphasizing the strong link between democracy and economic welfare through an illustration of Tajikistan, a poverty-stricken nation that is struggling to uphold its democratic government). As one policeman asked, "Democracy is here, but without money how can we practice it?" *Id.*

103. See United States Agency for Int'l Dev., *Foreign Aid in the National Interest*, ch. 2: Driving Economic Growth (2003) (suggesting that it may be easier for developing countries to promote growth than it was for the United States because the methods discovered and applied throughout American growth can be applied and that U.S. instruction and assistance can promote growth in developing economies), at <http://www.usaid.gov/fani/ch02/> (last visited Jan. 17, 2004).

104. See Edwin Chen, *Bush Proposes Major Boost in Development Aid*, L.A. TIMES, Mar. 15, 2002, at A3 (stressing the importance of complimenting aid with policy and reporting that President George W. Bush commented, "[w]hen nations refuse to enact sound policies, progress against poverty is nearly impossible. In these situations, more aid money can actually be counterproductive, because it subsidizes bad policies, delays reform and crowds out private investment.").

105. See Francis Fukuyama, *History and September 11*, in *WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER*, *supra* note 35, at 27, 33 (arguing that although opportunities for economic and political reform existed, the governments of the Arab states were unwilling to accept such reformations and that the aid not only was ineffective, but it also often times worsened the situation as the money was spent on furthering Arab extremism).

fought with an additional weapon in its arsenal—one that does not yield so easily to political coercion, one that withstands changes in government regimes, and one that provides opportunity to as many people as possible.

B. ERADICATING TERROR WITH TRADE

International trade, when focused on human and market development, is the most effective tool in preventing terrorism and maintaining global stability.¹⁰⁶ By using concepts such as “tied aid” to generate commerce in the interest of reducing poverty, developing economies can address the primary social concerns of their people while simultaneously improving their country’s gross domestic product (“GDP”).¹⁰⁷ In addition, the use of tax benefits to transnational corporations and local assistance in development can encourage transnational corporations to increase their involvement in developing countries.¹⁰⁸ The use of programs such as these will strengthen the local and global economy and open pathways to human and economic development.

In an attempt to generate commerce in the interest of reducing poverty, nations turn to tied aid, which is defined as “monetary assistance ‘which is in effect (in law or fact) tied to the procurement of goods and/or services from the donor country.’”¹⁰⁹ The theory is that a nation provides aid to a developing country under the

106. See Chen, *supra* note 104 (reporting that increased international trade will likely reduce poverty and subsequently reduce terrorism, and relaying President Bush’s statement that “persistent poverty and oppression can lead to hopelessness and despair. And when governments fail to meet the most basic needs of their people, these failed states can become havens for terror.”).

107. See Sheppard, *supra* note 54, at 97 (noting that nations can simultaneously lessen poverty and enhance economic performance if they properly invest the aid money).

108. See Antonio R. Zamora, *Cuba’s Business Enterprises: How Business is Conducted on the Island*, 15 FLA. J. INT’L L. 345, 356-57 (2003) (illustrating that foreign investment in Cuba is growing as a result of local and international programs aimed at guiding investors through the process of foreign investment on the heavily-sanctioned island).

109. See Sheppard, *supra* note 54, at 97 (explaining that the Export Credit Arrangement, established in response to the fear that an oil crisis would “trigger an export subsidy war,” contained guidelines for tied aid in an effort to “encourage competition among exporters” based upon quality and price).

agreement that the funds will later be utilized “to purchase goods and services from private exporters located in the donor country.”¹¹⁰ In effect, this type of aid will allow the implementation of development projects that address basic needs while at the same time creating a future trade relationship with the donor country that ensures that the aid serves as an investment rather than a donation.¹¹¹ In the hands of aid agencies, tied aid can become an investment in the human population that will yield returns not only in human capital, but also through the subsequent import of the donor country’s goods and services.

However, government participation will not work if it is not accompanied by a concerted effort on behalf of those private parties involved in the commercial transactions.¹¹² Corporations must take an active role in promoting and practicing sustainable trading practices such that developing countries can maximize the growth potential for their economies, provide employment to the local population, and contribute to the development of human capital. Corporations must also see the achievement of their investment goals as dependent upon the development and education of the local population, since they are the primary source of income for both the local leadership and the workforce. Wise investments in training programs have been shown to produce considerable and sustainable results in several industries.¹¹³

110. *See id.* at 97-98 (providing the rationale behind the use of tied aid, highlighting its shortcomings, and discussing the Reagan Administration’s creation of a “war chest” in an attempt to address such shortcomings).

111. *See id.* (outlining the benefits to both the grantor and the grantee of tied aid as it helps the grantee develop a sustainable economy and it creates a new trade relationship for the grantor).

112. *See generally* George T. Abed & Hamid R. Davoodi, International Monetary Fund, *Challenges of Growth and Globalization in the Middle East and North Africa* (2003) (identifying the gap left by foreign investors in the Middle East and North Africa as a sign of failure to integrate into the world trading system and proposing that reforming the public and private sector institutions “could result in a 20-fold increase in real per capita GDP”), <http://www.imf.org/external/pubs/ft/med/2003/eng/abed.htm> (last visited Jan. 17, 2004).

113. *See* J.M. Migai Akech, *The African Growth and Opportunity Act: Implications for Kenya’s Trade and Development*, 33 N.Y.U. J. INT’L L. & POL. 651, 701-02 (2001) (drawing upon the experience of the Asian Tigers to find that in order to

Corporations frequently work with governments in order to secure licenses, tax relief, or other benefits for their projects or exports. Oftentimes, corporations directly or indirectly determine the direction of growth in developing economies.¹¹⁴ However, we must apply caution to the direct involvement of corporations because they often work without the transparency required of government aid agencies and thus may engage in morally questionable behavior that will reflect poorly upon the overall project.¹¹⁵ For instance, Talisman Energy, a Canadian company, has been accused of working with the government of Sudan, a suspected harbinger of al Qaeda terrorists, to “crack down on insurgents who threaten the daily production of crude, or to clear oil areas of unwanted inhabitants” and build “roads and airstrips that allowed government forces to pursue war.”¹¹⁶ Yet while these corrupt practices shock the conscience of many corporate responsibility advocates, even human rights attorneys within Sudan have advocated for Talisman to stay since they provide significant benefits to the ailing economy, initiate more open policies for publicity and free speech, and help some locals live from day to day.¹¹⁷ The benefits of private sector involvement are undisputable,

take advantage of markets, exporters and transnational corporations must make “massive investments in state capacity and human resource development”).

114. See Derber, *supra* note 81, at 176 (claiming that corporations provide governments with money in return for subsidies and tax breaks); see also BRIAN GARDNER, *THE EAST INDIA COMPANY* 11 (1971) (emphasizing the power and influence of the East India Company, which at its end, “was responsible, directly or indirectly, for nearly one-fifth of the world’s population”).

115. See Symposium, *The Multinational Enterprise as Global Corporate Citizen*, 21 N.Y.L. SCH. J. INT’L & COMP. L. 1, 30 (2001) (emphasizing the need to examine which “corporations are involved in somehow undermining human dignity” and to “place duties on them to prevent that sort of behavior”). One way to address this need is to create a more transparent environment between human rights groups, corporations, and governmental representatives. *Id.*

116. See Norimitsu Onishi, *Oil Money Pulls Sudan Out of Its Location and Toward an Uncertain Future*, N.Y. TIMES, Oct. 17, 2001, at A12 (discussing the dichotomy between the negative aspects of a corporation that colludes with the government to subdue those who would prevent profit and the positive aspects of a country that depends on that corporation for production and growth as it can help press for needed reforms).

117. See *id.* (reporting that a Sudanese human rights lawyer, expressing his support for Talisman, stated, “[t]hey are better than the Chinese . . . [t]he Chinese don’t care about human rights in Sudan. They don’t have human rights in their

but they must be accompanied by “best practices” policies that apply transparency and corporate responsibility to their actions.¹¹⁸

Energy corporations are routinely engaging in dialogue with undemocratic government regimes in their bid for oil access.¹¹⁹ In these arrangements, corporations look the other way when governments engage in violations of human rights, support terrorism, or when corruption overruns the government and little or none of the economic benefit is shared with the local population.¹²⁰ This is especially true in the Middle East where oil is rampant and democracy is not. Capitalizing on the global dependence on oil, “Arab leaders have come to realize that oil is the economic Achilles heel of the industrialized democracies.”¹²¹ A USAID official even referred to countries rich in oil supplies as suffering from Dutch Disease, where the focus on oil as a single export significantly detracts from the development of their overall economy.¹²² The

own country. We’ve met people from Talisman to talk about our concerns, but we’ve never met any Malaysians or Chinese. They don’t want to see us.”)

118. See The World Bank Group, *Company Codes of Conduct and International Standards: An Analytical Comparison* (reporting that a wide array of individuals from stakeholders to the Secretary General of the United Nations called for more transparency and accountability by corporations and that such corporations are accountable to corporate best practices), at <http://www.worldbank.org/privatesector/csr/doc/Company%20Codes%20of%20Conduct.pdf> (last visited Jan. 23, 2004).

119. See Tarek Ben Halim, *Waging a ‘Good War’ for Arabs*, L.A. TIMES, Feb. 9, 2003, at M5 (reporting that the United States depends on the Arab world for access to cheap and reliable sources of oil despite the fact that “none of the Arab governments are democratic or representative.”).

120. See, e.g., Donald O. Mayer, *Corporate Governance, Stakeholder Accountability, and Sustainable Peace: Corporate Governance in the Cause of Peace: An Environmental Perspective*, 35 VAND. J. TRANSNAT’L L. 585, 601 (2002) (noting a pattern amongst multi-national corporations to ignore human rights abuses made by the governments with which they conduct business and claiming that Fidelity Investments exemplified such a pattern when it possessed an eight percent stake in a company that drilled for oil in sacred Indian lands, yet failed to ask the company to abandon the project and preserve the land).

121. See *id.* at 635 (acknowledging that some Arab leaders “have proposed to use oil as a weapon” and consequently questioning whether the Western World’s dependence on Middle East oil perpetuates the conflict between Islamic groups and industrialized democracies).

122. See Emmy B. Simmons, *Linking Trade and Sustainable Development: Keynote Address*, 18 AM. U. INT’L L. REV. 1271, 1288-89 (2003) (explaining the

severe dependence on oil by the West leads to their continued involvement in the Middle East, thereby feeding the addict while simultaneously winnowing alternative trades for the supplier.¹²³ Furthermore, the Western involvement in the Middle East primarily for the purpose of purchasing oil stimulates anti-Western sentiment within radical or fundamentalist groups that recognize this one-track purpose and the limited contribution it provides to true economic growth within the region. A reduction in the number of Western forces in the Middle East for purposes of protecting oil interests may, in fact, contribute to an increase in peace between the East and the West.¹²⁴ Speaking to the terrorist links to Saudi Arabia, the former deputy assistant secretary of state for international energy policy stated, “[t]he stark truth is that we’re dependent on this country that directly or indirectly finances people who are a direct threat to you and me as individuals.”¹²⁵

Military action against terrorist groups in the Middle East resulted in an increased distaste for the United States not only in the Middle East, but also throughout Europe.¹²⁶ And if the United States fails to

economic disease as an addiction to oil and gas, first coined when the Dutch discovered natural gas in the North Sea and devoted significant resources to it which resulted in the devaluation of manufactured products, despite the lack of continued growth in revenue from the gas).

123. See *id.* at 1291 (identifying the problem that as a nation begins to export a commodity such as oil, international creditors quickly respond and take the key roles, leaving the less demanding jobs to the local employment and preventing the local population from developing other trade options).

124. See Mayer, *supra* note 120, at 636-38 (noting that the U.S. dependence on oil continuously provides a motive for military intervention, that such intervention motivates the al-Qaeda network’s attacks on the United States, and that “to the extent that consumers, corporations, and the U.S. government could, over time, reduce their collective reliance on Middle Eastern oil – or reduce their reliance on oil generally – the prospects of peace may well be enhanced.”).

125. See Neela Banerjee, *The High, Hidden Cost of Saudi Arabian Oil*, N.Y. TIMES, Oct. 21, 2001, at 3 (arguing that American’s dependence on Saudi Arabia forced the Bush Administration to refrain from “criticizing Saudi silence over the American-led counterattacks against Osama bin Laden and the Taliban, nor has it spoken out about evidence that Saudi citizens finance Osama bin Laden’s al Qaeda network and other radical Islamic organizations”).

126. See, e.g., R.C. Longworth, *When Rumsfeld Speaks, Europe Bristles*, CHI. TRIB., Feb. 16, 2003, at 17 (reporting that Europeans blame U.S. Defense Secretary Rumsfeld for poor diplomacy and for attempting to “split Europeans into two camps: those that support the U.S. and those that do not”); see also Philip H.

address the reasons for this expanding hatred, it will once again become the victim of its wrath.¹²⁷

V. THE BIG GUNS: MULTILATERALS AND THE WTO

After the first Gulf war in 1991, the Senior Bush Administration developed a “five-pillar” plan to prevent the circumstances that led to that war from happening again. The third of these pillars focused on economic development in the Middle East, specifically calling for “a plan for economic reconstruction to ease tensions between the haves and have-nots in the Arab world.”¹²⁸ The Senior Bush Administration eventually abandoned this plan except for its intention to resolve the Israeli-Palestinian conflict.¹²⁹ The failure of the Western nations to bring a viable economic plan to the Middle East, where they were

Gordon, *Bridging the Atlantic Divide*, FOREIGN AFF., Jan.-Feb. 2003, at 70 (highlighting the difference between Europe’s pronouncement of “unlimited solidarity” with the U.S. after Sept. 11th and the present state in which “Europeans now regularly accuse the United States of a simplistic approach to foreign policy that reduces everything to the military aspects of the war on terrorism.”).

127. See Mayer, *supra* note 120, at 640 (arguing that military action in the Middle East will subdue terror attacks for a short period, but will not have any long-term effect until the “roots of unrest are examined.”).

128. See Baker *Outlines Postwar Plans for Middle East*, ST. PETERSBURG TIMES, Feb. 7, 1991, at 3 (outlining President Bush Senior’s five pillars as follows: (1) a new security agreement in the region to stabilize the governments of Iraq and Iran; (2) an arms control agreement to prevent Iraq from rebuilding chemical, biological or nuclear weapons; (3) a plan for economic reconstruction; (4) a renewed effort to settle the Israeli-Palestinian conflict; and (5) a comprehensive strategy in the U.S. to reduce dependence on foreign oil).

129. See Avi Shlaim, *The United States and the Israeli-Palestinian Conflict*, in WORLDS IN COLLISION: TERROR AND THE FUTURE OF GLOBAL ORDER, *supra* note 35, at 172, 173 (pointing out that President Bush Senior, in response to Saddam Hussein’s act of conditioning Iraq’s withdrawal from Kuwait on Israel’s withdrawal from occupied Arab lands, indicated that “the U.S. would address the Arab-Israeli conflict as soon as Iraq pulled out of or was booted out of Kuwait.”). Of the five pillars that President Bush Senior established, only the Arab-Israeli conflict received substantive attention as the United States sponsored a peace process in October 1991 with a focus on “security for Israel and justice for the Palestinians.” *Id.*

already involved for their own benefit, revealed a sizable imbalance in their placement of resources.¹³⁰

Governments and corporations, however, are not the only entities that can assist in fighting terrorism with trade in the Middle East. Many multi-lateral credit agencies, banks, and development organizations have an important role to play in initiating growth and bringing new investments into these regions.¹³¹

A. GROWTH THROUGH WORLD TRADE

The WTO is not a leading actor in most Middle Eastern countries. The reasons for its limited involvement in the region are beyond the scope of this essay. I will, however, attempt to proffer some reasons why its increased involvement would be beneficial to world stability, both socially and financially. As of the writing of this essay, seven Middle Eastern countries (including Israel) have become members of the WTO.¹³² The United States does not presently suspect these countries of harboring terrorists.¹³³ However, Lebanon, Oman, and Saudi Arabia, more conspicuous targets in the war on terrorism as of

130. See *Mideast Turmoil: In Bush's Words: 'Break Free of Old Patterns'*, N.Y. TIMES, Apr. 5, 2002, at A14 (illustrating the inability of the West to provide the Middle East with economic support as President George W. Bush stated, "[t]he Middle East has often been left behind in the political and economic advancement of the world.").

131. See Stephen Fidler, *Multilateral Agencies Are Urged by U.S. Treasury to Consider New Mechanisms for Delivering Emergency Finance*, FIN. TIMES, Mar. 18, 1998, at 35 (advocating a review of whether multilateral banks have a role in encouraging privately financed standby credits for countries).

132. See Ali & Partners, *The Middle East and the World Trade Organization* (providing background information regarding Middle Eastern involvement in the WTO including the following dates of accession: Kuwait (Jan. 1, 1995), Bahrain (Jan. 1, 1995), Egypt (June 30, 1995), Qatar (Jan. 13, 1996) and the United Arab Emirates (Apr. 10, 1996)), at http://www.mideastlaw.com/Middle_East_and_the_world_trade_.htm (last visited Feb. 7, 2004); see also World Trade Org., *Members and Observers*, at http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (last visited Jan. 13, 2004).

133. See Gerry J. Gilmore, *Kuwait, Saudi Arabia Join High-Threat Areas*, AM. FOREIGN PRESS SERV., Oct. 31, 2000 (noting that the bombing of the USS Cole took place off the coast of Yemen on October 12, 2000 and the United States added Kuwait and Saudi Arabia to the list of high-risk security threats due to increased terrorist activity at the time).

late, have begun the process of seeking WTO membership.¹³⁴ But, the process is long and often difficult for developing countries. The recent accession of Jordan to the WTO was achieved in 2000, with significant help from the United States,¹³⁵ after six years of negotiations.¹³⁶ Dr. M. Halaiqah, the chief negotiator from Jordan, summed up the achievement concisely, “[t]his is truly a historical moment for Jordan, as we have long aspired to become a member of the WTO.”¹³⁷

Complete WTO accession may not be the solution to our immediate security concerns.¹³⁸ Former U.S. Trade Representative Charlene Barshefsky said:

[W]e need programs of a more immediate nature because it is critical to bring economic and job growth to this region to provide hope and a counterweight to a large growing, relatively well-educated but unemployed population, subject, of course, as well to radical ideology. So we need much more immediate relief. And we need the kind of relief that may help these countries integrate one with the other.¹³⁹

134. See Press Release, World Trade Org., Jordan Becomes 136th Member of the WTO (Apr. 11, 2000) (discussing the recent accession of Jordan to the WTO and positioning the region as ripe for WTO membership), at http://www.wto.org/english/news_e/pres00_e/pr174_e.htm (last visited Jan. 16, 2004).

135. See *Analysis: U.S.-Middle East Free Trade Zone* (Nat'l. Pub. Radio broadcast, June 3, 2003) [hereinafter *NPR Broadcast*] (explaining that the United States created a duty free program for Jordanian-Israeli goods to enter the United States and also negotiated a free trade agreement with Jordan to assist with WTO accession), at <http://www.npr.org/programs/totn/transcripts/2003/jun/030603.barsh.html> (last visited Jan. 20, 2004).

136. See Press Release, World Trade Org., Jordan Becomes 136th Member of the WTO (Apr. 11, 2000) (reporting that Jordan became a member of the WTO in 2000 after first establishing a working party under the GATT in Jan. 1994)

137. *Id.*

138. See *NPR Broadcast*, *supra* note 135 (suggesting that the goal of political stability in the region is tied to sustainable economic growth, but that current proposals for free trade will not go into effect for at least ten years).

139. See *id.*

This is not to say that the WTO is not interested in securing the membership of developing countries.¹⁴⁰ In fact, through the use of programs designed to bring developing countries up to speed with the developed market structure employed by the majority of the world, including structural adjustment policies and trade without preferences, the WTO is sending a message to the developing world that working with the WTO will provide both protection and prosperity for their citizens and their markets.¹⁴¹

Yet despite this availability of WTO programs for both short and long term economic development, many Middle Eastern countries hesitate to join the world body.¹⁴² One reason for their reluctance may be their inherent resistance to market colonization, the preferred method of global economic integration. As New York Times columnist Thomas Friedman explains, “[l]ike all other revolutions, globalization involves a shift in power from one group to another.”¹⁴³ This shift in power results in the relocation of power centers from government offices and agencies to private sector industries and independent minds.¹⁴⁴ This creates both an external colonization of the market system as a whole, and an internal colonization of the political and social structure, achieved primarily through independent power brokering between foreign investors and local businesspeople. The result is a frightening state of affairs that promises, without guaranteeing anything, to try to achieve economic and social equality. It is indeed a significant risk for a country unexposed to the

140. See, e.g., David P. Fidler, *A Kinder, Gentler System of Capitulations? International Law, Structural Adjustment Policies, and the Standard of Liberal, Globalized Civilization*, 35 TEX. INT’L L. J. 387, 408 (2000) (inferring that the WTO is interested in membership of developing nations as a way to push standards for globalization and to promote standards for how they should deal with property and capital).

141. See Akech, *supra* note 113, at 653 (arguing that despite any benefit to developing countries, Western countries stand to benefit more from freer trade).

142. See Lindsey, *supra* note 70 (contending that as a result of self imposed isolation from the global economy, many Muslim nations, including Iran, Iraq, Lebanon, Libya, and Saudi Arabia, are not qualified to join the WTO).

143. THOMAS FRIEDMAN, *THE LEXUS AND THE OLIVE TREE* 336 (Anchor Books 2000).

144. See *id.* at 336-37 (explaining how business owners in communist and socialist systems have also lost power because they are no longer protected or secured by their ties with the government).

regular risks of a market economy, but it is one that must be taken if they intend to embark on a growth and development action plan.

The speed of globalization is increasing and more countries, to their own benefit or detriment, are opening their markets and increasing transnational business.¹⁴⁵ However, the recent surge in terrorist activities from the Middle East has led some Western nations, the United States in particular, to focus on the economic, social, and political structures of countries in the region.¹⁴⁶ Although this has not yet been the result and seems to be a long way off, the forced regime change in Iraq, for instance, intends to lay the foundation for a stable and democratic government that will meld with a global economy.

While the Pentagon calls for 100,000 troops to remain in post-war Iraq to achieve stability, the WTO offers a solution that requires the adoption of rule of law programs and far fewer troops.¹⁴⁷ For instance, membership in the WTO requires governments to adhere to policies adverse to protectionism in order to benefit both domestic and international markets.¹⁴⁸ If a country decides to institute quotas or to take some other protective measure, the Dispute Settlement Body ("DSB") will publicly bring it to bear for the deleterious effect that their action has on the global economy.¹⁴⁹ Within a smooth-operating system such as this, market stability, as well as government behavior that affects markets, becomes transparent and accessible to

145. See *id.* at 9 (noting that the percentage of countries worldwide with liberal economic free market regimes rose from eight percent in 1975 to twenty-eight percent in 1997).

146. See Call For Free Trade, *supra* note 79 (referring to the Middle East partnership initiative in which the United States and Middle Eastern regional leaders are working together to institute economic, political and social reforms).

147. See generally Dave Moniz, *Ex-Army Boss: Pentagon Won't Admit Reality in Iraq*, USA TODAY, June 3, 2003, at A1 (observing that Defense Secretary Rumsfeld was not specific about the size of the force needed in post-war Iraq and that the Pentagon hoped the number of troops would be quickly decreased).

148. See World Trade Org., *10 Benefits of the WTO Trading System*, 5-8 [hereinafter *10 Benefits*] (summarizing how free trade results in lower prices of goods, a lower cost of living, higher incomes, and greater consumer choice), at http://www.wto.org/english/res_e/doload_e/10b_e.pdf (last visited Jan. 20, 2004).

149. See *id.* at 3 (claiming that the existence and use of this body serves to mitigate potentially more serious political conflicts between countries).

the public.¹⁵⁰ In addition, membership in the WTO assures developing countries that they will have a voice in trade negotiations, structural assistance, global market reform, and product diversification within their own economies¹⁵¹— a positive change for a region with so much more than oil to contribute to international trade.

Under the 100,000 troop method, the United States cannot guarantee stability for any long period of time, and the likelihood of distaste for a long-term foreign physical presence within the country is greatly increased. Jobs are not typically created in target countries through conventional warfare strategies, but they will be created if trade and the WTO are used as instruments of development and liberation.¹⁵²

B. REGIONAL AGREEMENTS AND THE MEFTA

Some regional efforts exist in the Middle East to establish trade unions and prepare for the development of viable global market economies that will accelerate compliance with international standards and foster entry into the world market.¹⁵³ For instance, the Maghreb countries¹⁵⁴ established the Arab Maghreb Union (“AMU”) in 1989 to discern solutions to their rapidly increasing debt.¹⁵⁵ Notably, these members did not include Iraq or Iran. The member countries sought to implement a customs union and common market in the years following its inception, but neither was achieved, partly,

150. *See id.* (discussing how WTO judgments provide guidance for future behavior of member countries).

151. *See id.* at 4 (explaining that smaller countries enjoy increased bargaining power because they have an equal voice in negotiating WTO agreements and equal rights to challenge trade practices of larger nations).

152. *See id.* at 9 (advocating that free trade is responsible for a 300,000 – 900,000 increase in jobs in the E.U.).

153. *See* BEVERLY M. CARL, *TRADE AND THE DEVELOPING WORLD IN THE 21ST CENTURY* 288 (2001) (noting, however, that the Middle East remains one of the least integrated trade regions worldwide).

154. *See id.* at 290 (listing the Maghreb countries as: Algeria, Libya, Mauritania, Morocco, and Tunisia).

155. *See id.* (observing that as of 1992, the Maghreb countries had a combined external debt of \$65 billion, or fifty-seven percent of their combined GDP).

critics claim, due to the group's "swift acceptance of so many trade agreements."¹⁵⁶

Several countries joined to establish the European-Mediterranean Economic Area ("EMEA") in 1995 to improve the already significant amount of trade between the two regions.¹⁵⁷ Fifteen European countries and twelve Mediterranean countries became members of the EMEA, none of which included Iraq or Iran.¹⁵⁸ The European Union's stated goal of this relationship was to make the North-South relationship as strong as Europe's thriving East-West relationship through the use of education and infrastructure projects.¹⁵⁹ The EMEA is a highly successful union that may be the staging ground for full cooperation between Europe and the Middle East, but not necessarily for the remainder of the global marketplace.¹⁶⁰

More recently, and perhaps most importantly for the war on terror, is the effort on behalf of the United States to develop the MEFTA. At a recent multilateral summit in Egypt, President Bush pushed "nations throughout the region to open their markets, to seek broader trade in the world and to join us in creating a U.S.-Middle East free trade area within a decade."¹⁶¹ President Bush spoke more about this

156. *See id.* at 290-91 (indicating that political dissension among member countries has also contributed to the AMU's limited success).

157. *See id.* at 294 (explaining that the agreement seeks to establish a free trade zone, with the exception of agricultural products, by 2010).

158. *See Carl, supra* note 153, at 294 (stating that the member states from the Mediterranean include Algeria, Cyprus, Egypt, Jordan, Israel, Lebanon, Malta, Morocco, Palestine, Syria, Tunisia, and Turkey).

159. *See id.* at 295 (remarking that the European Union offered the assistance after Mediterranean countries complained that the European Union favored Eastern and Central European countries).

160. *See id.* at 296 (suggesting that global inclusion into the union may prove difficult because it consists of a series of bilateral agreements between the European Union and individual Mediterranean states rather than a single joint agreement between all of the parties).

161. Matthew Gutman, *At Sharm, Bush Reinforces Commitment to End Terror*, JERUSALEM POST, June 4, 2003, at 1; *see also* NPR Broadcast, *supra* note 135 (explaining that U.S. Trade Representative Charlene Barshefsky discussed on a panel that the implementation of a Free Trade Area in the Middle East should not be expected to take root immediately, but can be expected to come over a ten-year span).

initiative at the commencement speech at the University of South Carolina.¹⁶² U.S. Secretary of State Colin Powell followed-up on this initiative in a January 2004 New York Times editorial, where he stated that President Bush's "proposal to develop a Middle East free trade agreement is high on the agenda."¹⁶³

Among the initiatives highlighted by President Bush during his speech were the establishment of a Middle East Free Trade Area within ten years, reform efforts to prime countries in the region for WTO membership, trade capacity building for integration into the global trading system, reform of commercial and judicial codes, and improved transparency to fight corruption.¹⁶⁴ Among the initiatives with more immediate effect are the launching of new bilateral free trade agreements, completion of trade negotiations with Morocco by the end of 2003, the initiation of programs to train women, media professionals, and parliamentarians, and the establishment of a Middle East finance facility to assist small and medium business owners and developers.¹⁶⁵ No one can dispute that within each of these long and short-term goals an American ideology is woven into the fabric of the administration's efforts. However, as negotiations have yet to begin with the countries themselves, we may presume that their lofty and often diverse goals will stimulate a balancing act among the countries involved in the agreement.

The present approach of the United States is to negotiate individual free trade agreements with peaceful, terrorism-free Middle Eastern countries, and then to coalesce them into a single free trade area.¹⁶⁶ The problem with this approach is that it creates an

162. See Call for Free Trade, *supra* note 79 (proposing the free trade agreement to "provid[e] hope for people who live in that region").

163. Colin L. Powell, *What We Will Do in 2004*, N.Y. TIMES, Jan. 1, 2004, at A25.

164. See Call for Free Trade, *supra* note 79 (asserting that the people of the Middle East will enjoy prosperity and freedom if free markets and fair laws are in place).

165. See *id.* (explaining that the purpose of these initiatives is to expand opportunity and re-ignite economic growth in the Middle East).

166. See, e.g., U.S. Dep't of Commerce, *U.S.-Morocco Free Trade Agreement* (summarizing development of the trade agreement between the United States and Morocco to possibly be concluded in 2004), at <http://www.buyusa.gov/morocco/en/page33.html> (last visited Jan. 20, 2004); see also Press Release, U.S. Dep't of

imbalance among countries in the region that often compete for the export of the same products.¹⁶⁷

Brink Lindsey, the director of the Center for Trade Policy Studies at the Cato Institute, published a report explaining how to fight terrorism with trade.¹⁶⁸ The paper emphasizes the importance of how the MEFTA is drafted and how broad in scope it will be. In this regard, he argues for the immediate need to remove trade barriers on products, other than petroleum, that countries in the region excel at producing.¹⁶⁹ “Leading the world toward closer commercial ties can reduce threats to American interests and security by calming fears and resentment of American power.”¹⁷⁰

Yet despite these positive efforts on the part of the Bush administration, it readily admits that it is not pursuing increased trade as a viable alternative to conventional military action to pursue the purveyors of terrorism. National Security Advisor Dr. Condoleezza Rice described the Middle East trade initiative as a promise of hope, stating that “[i]t’s not that trade makes peace, but it is that prosperity and trade give people hope. It gives them a desire for a better life. It allows them to concentrate on the things that all people are concerned about: better life for their children, opportunities for their children.”¹⁷¹

State, *U.S. and Bahrain to Negotiate Free Trade Agreement* (announcing plans between the United States and Bahrain to negotiate a free trade agreement), at <http://usinfo.state.gov/regional/nea/summit/text2003/0521freetrade.htm> (last visited Jan. 20, 2004).

167. See Larry Luxner, *U.S. to Fight Terrorism with Trade*, THE MIDDLE EAST, Nov. 1, 2003, at 38 (indicating that “[s]ince competitiveness in exporting a particular product to the [United States] is often shared by a number of Muslim countries, granting duty-free treatment to one country through an FTA would likely inflict harm on other exporters in the region.”).

168. See Lindsey, *supra* note 70 (indicating that new trade initiatives with the Middle East aim to combat terrorism by promoting economic and political development in the region).

169. See *id.* at 9 (contending that freer trade will open up competition in agriculture and manufacturing, resulting in lower costs of service and an increase in foreign investment).

170. *Id.* at 12.

171. NPR Broadcast, *supra* note 135.

The involvement of the entire Middle East in bodies such as the WTO will allow the region to quickly reap significant economic and non-economic benefits for their citizens.¹⁷² Some of these economic benefits include reduced tariff rates, protection from dumping by other countries, and diversification and development of their economies.¹⁷³ Some non-economic benefits of WTO membership include access to the DSB, the capacity building programs, a plethora of new markets, and development of the rule of law.¹⁷⁴ Also, through the Generalized System of Preferences (“GSP”) of the WTO accession process, developing countries are protected from the early challenges of equal competition for a period of ten years by assuming lower customs duties for their exports to developed countries.¹⁷⁵

The responsibility to attack terrorism at its roots by striking at the wealth disparity, unemployment, and in many cases, desperation found in developing countries, falls into the hands of wealthy nations.¹⁷⁶ In a post-September 11th speech, former President Bill Clinton commented that wealthy nations bear the responsibility of

172. See generally Bernard Hoekman & Patrick Messerlin, *Harnessing Trade for Development and Growth in the Middle East* (2002) (recommending that MENA countries use the WTO as a means for domestic reforms), <http://www3.cfr.org/pdf/MENA1.pdf> (last visited Jan. 22, 2004).

173. See generally World Trade Org., *The WTO in Brief* (discussing the key economic benefits WTO negotiations have brought to its member countries), at http://www.wto.org/english/thewto_e/whatis_e/inbrief_e/inbr00_e.htm (last visited Jan. 28, 2004).

174. See *10 Benefits*, *supra* note 148 (exploring ten reasons to support the WTO, including, inter alia, the system promotes peace; disputes are handled constructively; trade raises incomes; and trade stimulates economic government); see also World Trade Org., *Understanding the WTO* 55-61(2003) [hereinafter *Understanding the WTO*] (explaining the process by which member countries of the WTO bring suits before the DSB), at http://www.wto.org/english/thewto_e/whatis_e/tif_e/understanding_e.pdf (last visited Jan. 25, 2004).

175. See *Understanding the WTO*, *supra* note 174, at 93-96 (explaining the benefits of WTO membership for developing countries, including the GSP, also extra time to fulfill their commitments, legal advice, and training seminars and workshops for their officials).

176. See Dimpleby Lecture, *supra* note 50 (urging that in order to stop future terrorist attacks, the wealthy countries must spread the benefits of the twenty first century, specifically: the global economy, the information technology revolution, advances in science, and the explosion of democracy).

ensuring a world with more partners and fewer terrorists and potential terrorists.¹⁷⁷

C. GROWTH THROUGH FOREIGN DIRECT INVESTMENT

Will increased trade make poor, developing countries less vulnerable to terrorism? Latin America, Asia, and Africa have welcomed and encouraged trade in their developing countries, seeking increased foreign investment to stimulate the growth of their economies. In many instances, however, investment has not created the anticipated growth it promised, and in some instances it has even widened the gap between the rich and the poor, creating tension among the populace. Yet the dissenters are primarily dismayed by the failing domestic economic policies, which they blame globalization for, rather than citing their lack of access to new markets.¹⁷⁸ This is symbolic of the need for coordinated efforts not only to bring markets to people, but to bring people to markets by educating local businesspeople and policymakers, fostering transparency in government, and requiring investors to take a leading role in the communities in which they choose to invest.

Foreign direct investment ("FDI") in the Middle East has been sporadic at best. Recent estimates suggest that the region receives only one-third of the amount of investment received by other developing countries.¹⁷⁹ It is critical that new sectors are developed in the region to diversify its market share and create job growth. This goal can be achieved through direct investment, and the investors can then be seen as partners in the war on terror.¹⁸⁰

177. See *id.* (arguing it is not enough to "defeat the terrorist," but that the wealthy nations must also shrink the burden of global poverty facing poorer countries).

178. See Fukuyama, *supra* note 105, at 33 (observing that the underlying problem in the Muslim world is "a political one in the Muslim world itself," as no single oil-rich state in the Persian Gulf "has used its wealth to create a self-sustaining industrial society").

179. See Abed, *supra* note 112 (noting further that most of the foreign direct investment the region does receive is concentrated in a minority of countries).

180. See Lindsey, *supra* note 70, at 1 (praising the Bush Administration for using trade and direct investment in the Middle East as a front in the war on terrorism).

In addition to FDI, Multi-National Corporations (“MNCs”) also have a substantial role to play in fighting terrorism.¹⁸¹ Second to the military, MNCs are the most widely recognized symbols of the West in the Middle East.¹⁸² Whether this presence stimulates visions of anger and hatred or of peace and stability is largely dependent upon the role the MNC plays within a particular country.¹⁸³ Coordination with local governments to bring investment, employment, and ecologically-sound projects to the country will reflect highly upon the local population, creating positive relationships with the corporation, and reducing the possibility of retaliation against its presence.¹⁸⁴

CONCLUDING REMARKS ON ENGAGING THE ENEMY

Exporting a multitude of McDonald’s franchises to the Middle East is not the answer to the problems presented in this essay. Furthermore, a broad increase in FDI alone is not the type of change in trade that will result in sustainable development and a reduction in terrorist activity. It is very important that we consider the type of trade that would be most beneficial to these Middle Eastern countries. This includes trade that will go beyond the mere export of textiles and raw materials—it is trade that will have a direct effect on the local economy.¹⁸⁵

181. See, e.g., Roni N. Halabi, *Stability in the Middle East Through Economic Development: An Analysis of the Peace Process, Increased Agricultural Trade, Joint Ventures, and Free Trade Agreements*, 2 DRAKE J. AGRIC. L. 275, 282 (1997) (stating that “[f]oreign private investment is critical to the stability in the [Middle East] region, not only because it creates jobs, but it also creates a stronger tax base, increases trade, and thereby raises the overall standard of living of the inhabitants of the region.”).

182. See Fukuyama, *supra* note 105, at 31 (noting that Islamic fundamentalists, like Osama bin Laden, view Western consumerism as evidence of Western decadence).

183. See Mayer, *supra* note 120, at 652 (arguing that when the world’s largest MNCs fail to “address negative externalities and perverse subsidies,” they are not participating “in a system of global free trade that is sustainable.”).

184. See Mayer, *supra* note 120, at 652 (referring to such a policy as an ethical duty, and one that is “eminently practical”).

185. See Akech, *supra* note 113, at 700 (comparing FDI in supermarkets or fast food chains with FDI in manufactured products for export, including steel, car

Increased trade, through the development of successful and stable global market economies, benefits the local population when it creates jobs, improves educational and/or job-training opportunities and merges with the local culture. FDI in local projects, joint ventures,¹⁸⁶ multi-lateral financial support for infrastructure development, and job-training by international aid agencies would have a significant positive impact on local communities because it would cultivate lasting growth even after the completion of the particular project(s).

The war on terrorism will be more successful if it involves trading partners in the regions in which terrorism is most likely to flourish. Swift market development, support of local business sector development through FDI, and substantial efforts to implement rule of law programs will undoubtedly achieve the goals in the war on terror more quickly and completely than brute force. A partnership between the West and countries throughout the Middle East will raise the overall GDP, improve human health and education, prevent diseases which often have a global impact, and serve to counter the root causes of terrorism.¹⁸⁷

Recent efforts to prevent terrorist attacks through preemptive strikes raise not only serious civil and human rights issues, but also critical economic concerns. Military actions in Afghanistan and Iraq,

parts, or computer components, and concluding the latter will raise growth more than the former).

186. See, e.g., Christopher Frank, *Turkey's Admittance to the European Union: A Keystone Between Continents*, 11 CURRENTS: INT'L TRADE L.J. 66, 71 (2002) ("Joint ventures are perfect mechanisms to create cooperation and increase foreign investment between the EU and the Middle East. They are ideal methods of investment in the Middle East because they minimize the risks and disadvantages while maximizing the positive aspects of the region.").

187. See Hunter R. Clark, *African "Renaissance" and U.S. Trade Policy*, 27 GA. J. INT'L & COMP. L. 265, 271 (1999) (using Africa as an example of how foreign investment and trade not only led to internal stability, but also benefited the United States by creating a new partner with whom it can "tackle common challenges" such as drugs, disease, and the environment); see also Lindsey, *supra* note 70, at 13 (arguing that the Bush Administration should avoid using trade policy as retaliation against countries that have "crossed" the United States, and instead should view U. S. trade policy as an "olive branch to the world. By opening our markets to the rest of the world whether unilaterally or in concert with other nations – we demonstrate that America's interest lies, not in keeping other countries down, but in encouraging them to rise and prosper.").

as well as the identification of countries in other regions as targets in the war on terror, have led many investors to flee to safer havens.¹⁸⁸ The economic consequence of these investment withdrawals has been the stunting of the nascent growth in the region.¹⁸⁹ It is just these types of investment climates that, when accompanied by increased political stability and the development of a rule of law system, will allow for growth in the region. And it is just this type of growth that will reduce the influence that terrorist recruiters such as Osama bin Laden have on the populace.

Will significant economic growth and political stability eliminate the possibility of terrorist activity? The answer is no. Terrorist ideas fester in developing and developed countries and among both rich and poor populations. The aim of preventing terrorist attacks in the Middle East is to reduce the likelihood that terrorism will become a viable form of political expression amidst a weak government, or worse still, that terrorism will become the rule, rather than the exception, to everyday governance. Dropping an arsenal of bombs on these countries, changing their leadership to our liking, and attempting to create lasting stability through shows of force misses the mark in fighting the intended target. War does not create lasting jobs, reduce poverty, or make terrorist activity less appealing to the citizens in the country being attacked. However, the world has another, much more powerful weapon in its arsenal that will be eminently more successful in winning this “war” – trade. It is only here that the real enemy will be defeated, and the real war won.

The MEFTA is a step in the right direction. Arab countries must now rise up and take a leading role in developing these initiatives, since it is they who will benefit most in both the short and long terms. WTO accession is a long and often difficult process, one that requires governments to make adjustments that could meet with

188. See Ma. Elizabeth L. Sanchez, *Yearend Report: Security Beyond Anything; Meeting Global Standards vs. Money Laundering*, BUS. WORLD, Jan. 7, 2003, at 30 (quoting Simon R. Paterno, President of the Philippines Development Bank: “It is difficult to pull out of a slowdown when investment isn’t being made and no one wants to commit large investments to increase capacity for new projects because of the specter of terrorist troubles and of war in the Middle East so that affects the economy in general.”).

189. See Mayer, *supra* note 120, at 651 (arguing in favor of long-term development, stating that temporary development will bring “renewed human misery”).

serious resistance in their leadership and among their citizens. But the long and challenging road will result in improvements in the GDP, education, per capita earnings, employment and opportunities for market development.

States must enact these long-term efforts alongside short-term development goals, including the immediate restructuring of financial policy, a drastic reduction of government subsidies on imports, and the implementation of the rule of law. These goals can be achieved through assistance provided by investments from multilateral agencies and foreign investors, direct aid from development organizations such as USAID and CIDA, and tied aid from the World Bank, the International Monetary Fund, and the Export-Import Bank. The West should indeed have a significant presence in the Middle East today, but not a military presence. Rather, their presence should be in the form of advisors and investors, contractors and aid workers, and community leaders and activists. The image of the West as colonizers must be traded for the image of the West as partners in development. There is indeed money to be made in the Middle East, but more importantly, there are lives to be given new meaning through employment, improved healthcare, and opportunities for growth.

In this essay I attempted to highlight some of the ways in which the West is failing in its "war on terror" by identifying poverty, unemployment, and a lack of opportunity as the root causes for the development and propagation of terrorism.¹⁹⁰ I explained how the weak governments and the weak links between international trade organizations and the Middle East region contributed to incomplete development in the region.¹⁹¹ Finally, I offered some modest suggestions for adjusting our strategy to bring about a reduction in terrorist attacks, growth and development for the lives of Middle Easterners, and beneficial trading partners for foreign investors and Middle Eastern domestic concerns.¹⁹² I hope that approval and

190. See *supra* Part I (observing that terrorism is both political expression and expression of despair for a better way of life).

191. See *supra* Part IV (discussing the important role multi-lateral organizations can play in brining investment into the Middle East region).

192. See *supra* Part IV (arguing in favor of increased FDI into the region and accession to the WTO by Middle Eastern countries).

implementation of the MEFTA, increased FDI, and more use of tied aid to support growth in the region will occur in the coming months. It has been, and will continue to be my intention to find ways in which people living in the Middle East can acquire opportunities such that they will never have the need or desire to resort to terrorism.