

Book Reviews

The Price of Fear: Al-Qaeda and the Truth behind the Financial War and Terror. By Ibrahim Warde. London: I.B Taurus, 2007, pp. 262. ISBN: 9781-85043-424-5

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The battle to control terrorist financing is seen as the one sensible, effective campaign in the controversial “Campaign on terror.” Whenever the US government claims to have struck a blow to the international terrorist financing network, even the most cynical of commentators takes it at face value. But as Ibrahim Warde argues in this myth-shattering book, the series of financial “crackdowns” initiated since 9/11 have had virtually no impact on terrorism. This is because these effects are based on a fundamental misconception of how terrorism operates.

Warde shows how operations such as the 9/11 World Trade Centre attacks were actually financed, and juxtaposes the reality of shoestring budgets and envelopes of cash with the buzzing transnational network of transfers depicted by the finance warriors. He shows how the media’s predisposition to stereotype about “Arabs and their money” allowed unsubstantiated rumours, such as Bin Laden’s alleged personal fortune of \$300 million, to become established as fact. He exposes the extent to which Washington policy-makers simply transposed the template for the war on drugs on to the war on terrorism, despite the fact that terrorism is not a profit driven enterprise. Warde argues that the real purpose of the financial war is to create at least one front on which there can be unscrutinised “victories” and where power can be seen to be exercised. He details the collateral damage inflicted on organisations such as Al-Barakat, the Somali network wrongly accused of

channelling Saudi funds to terrorists, or Interpal, the UK-based charity wrongly accused of being a conduit for Hamas, and argues that such arbitrary asset freezes are counterproductive because of the damage they do to America's image in the Muslim world. Incisive, acerbic and utterly compelling, Warde's book brings to our attention for the first time the absurdities of a phoney war.

This book is divided into five parts. Part I explains how prevalent beliefs about terrorist financing come to be formed and why they proved impervious to contrary empirical evidence. Part II explains the "rules of financial engagement." It describes the origin of mindsets, assumptions, and policy templates underlying the financial war. It also maps the financial terrain. It discusses the impact of prosecutorial tools largely designed to "frame the guilty," the implications of globalised finance on regulation and law enforcement and the emergence of economic sanctions as "weapons of first resort." This part concludes by dealing with the money laundering template, which was developed during the war on drugs and was uncritically transposed to the fight against terrorist financing, despite fundamental differences between the two logics.

Part III focuses on the narrative and dynamics of the financial war. It explains how the money came to fit the broader war on terror narrative. The financial argument served in past obscure political grievances and was central to both the first and the second Bush doctrines. The first doctrine, articulated following the 9/11 attacks, drew no distinction between those who financed acts of terror and those who committed them. The second doctrine, which comes to define the Bush administration, was that of pre-emption: if money is indeed the "oxygen" of terror, then it makes sense to seize it pre-emptively.

Part IV deals with the impact and consequences of the financial war. It addresses the disconnect between guilt and retribution and the collateral damage caused by the financial war. The question of Islamic charities, discussed in some detail in this part, may be at once the least understood and the most consequential aspect of the financial war. Reforming Islamic charities was long overdue, but heavy-handed policies and indiscriminate attacks have lent credence to the view that the war on terror was a war against Islam.

Part V is about assessments and recommendations. It focuses on a paradox: the financial warriors and constantly touting their achievements, yet acts of terror keep increasing. This part of the book revisits the question of money and terror. It suggests an alternative paradigm based on the logic of insurrection. Terrorist financing appears wherever there is support for terror and the question of support is essentially about politics. Such a paradigm casts doubt on the usefulness of tools which assume a crime-for-profit logic. The part concludes by making a number of policy recommendations.

Warde's book is a pleasure to read, it is remarkably informative about a subject that the Western mass media seem to have mangled. In addition, the book exposes the Bush administration's much ballyhooed, but often duplicitous "war on terrorist finances."

Political Economy of Development: A Comparative Study of Regime Performance. By Ataul Haq Pramanik. Kuala Lumpur: Thomson, 2007, pp. 466+xiv. ISBN-13: 978-981-4227-78-0.

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For many years growth represented certain economic indicators such as increase in per capita income, gross domestic product and a healthy balance of payments record. Dissenting experts, however, look into development from a wider perspective and include a wider economic and political freedom which gives human beings a true freedom of choice. Ataul Haq Pramanik's *Political Economy of Development* is based upon such an integrative approach linking development with political regimes. It attempts to explain how development is related to regime types or how regime types hinder economic development. The book focuses on fourteen Muslim majority countries with political systems ranging from monarchy to semi-democracy and democracy. The central argument of the book is that "the degree of democratisation of economic power resources appears to be the key to the issue of democratisation" (p. 18).