

CENTRAL EUROPEAN UNIVERSITY

**GLOBAL MUSLIM BOYCOTT OF MNCs AS A METHOD OF
ECONOMIC WEAKENING OF ISRAEL**

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This thesis is dedicated to R. – for advice and guidance, Z. – for encouragement and trust, A. – for friendship and patience and V. – for making sure I never slept past 9 AM. To family friends and D. who offered me absolute support throughout the course of my studies, thank you.

Abstract

Since the Arab League campaign of 1948, boycott has been utilized as a method of economic weakening of Israel. Based on a premise of cutting all economic ties with the Israeli state, the Arab League boycott emerged as a paradigm that established the state as the key boycotting agent. Changes within the state – centered model of boycott can be observed during the 1970s and 1980s, where NGOs situated themselves at the centre of boycotting efforts to end South African apartheid. Study of this historical fluctuation, enables an exploration of boycotts in a novel light and allows for recognition of uniqueness attached to the contemporary global movement against MNCs investing in Israel.

The paper will explain the rationale behind the development of distinctiveness attributed to the contemporary efforts to economically weaken Israel. This uniqueness relates to the contemporary nature of the boycott as well as the materialization of a modern leverage agent – Muslim citizen – consumer as a vital factor within the boycotting agent category. These developments will be examined within a context of the present phase of globalization. The paper will view globalization not through a prism of interconnectedness, but rather from an angle of tendencies and trajectories attached to it which precondition such connections. The formation of global links, vital for the global Muslim boycott of MNCs investing in Israel, will thus be explored in relation to processes embedded within the contemporary phase of globalization that impact upon the realities of people worldwide.

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Introduction

Boycott against Israel has been in operation for many decades now and it is the most researched and certainly one of the most debated ones. Whilst the agents initiating, conducting and engaging in the boycott campaigns against Israel have been of various affiliations and diverse locations, their pursued objective of economic weakening of Israel has remained constant throughout history. For the purpose of attaining such a goal, Arab League adopted an official organized boycott against the state of Israel in 1948. It is within the Arab League model that we can detect the salience of the state as a crucial boycotting agent. The importance of the state was likewise observable in the boycott of South Africa during the apartheid era. However, in comparison to the Arab League model, the category of the boycotting agent was extended by an emergence of transnational networks of solidarity, formed around issues of universal justice, equality and human rights. As such, the South Africa boycott surfaces as a historical mold for the construction of various forms of modern collective action and solidarity. One such form is the contemporary global Muslim boycott of MNCs investing in Israel.

No academic attempts have been made to clarify the specifics of the current boycott form. For instance, Feiler examines the development of the economic boycott against Israel and observes the features of this longest – lasting case of economic sanctions in the twentieth century. However, Feiler places the state at the center of analysis, therefore providing little assistance for an understanding of the contemporary model of boycott where the state ceases to be a boycotting agent.

Presently, model of boycott is comprised out of three categories of agents: category A agents, or organizations spearheading the boycott campaign by inviting the category B agents, global

consumers, to boycott the products and services of category C agents, the multinational corporations. Category A agents are organizations leading the boycott campaign that, as argued by Haynes, “communicate with each other; feed of each other’s ideas, and, in effect, form transnational groups whose referent derives from a specific dogma”.¹ The functioning of these transnational networks depends less on coresidence in territorial space and more on common worldviews.² Keck and Sikkink expand on this argument by stating that transnational networks “include those relevant actors working internationally on an issue, who are bound together by a common discourse, dense exchanges of information and services and shared values.”³ Klein notes how, during the struggle against South African apartheid, transnational networks utilized a corporate boycott as a method of forcing the South African government to end apartheid.⁴ However, while transnational networks study demonstrates that the international system, is “made up not only of states [...]”⁵, it proves of partial use for comprehending the transformed model of boycott that concerns this thesis.

Major defect is found in its failure to recognize the position of interface agents of boycotts. It, consequently, falls short of effectively elucidating important relations of power in a contemporary world. This thesis attempts to fill the gap in the studies of boycotts by placing the leverage agents within the boycott pattern.

Rather than observing current global context from an angle of mere agent interconnectedness, the thesis examines how linkages are preconditioned by allocation of circumstances of social existence and the way people in given circumstances form and arrange their realities. The

¹ Jeff Haynes, “Transnational Religious Actors and International Politics”, *Third World Quarterly*, 22, 2, 2001, p. 157

² Susanne Hoeber Rudolph and James Piscatori, *Transnational Religion and Fading States*, Westview Press, 1996, p. 2

³ Margaret E. Keck and Kathryn Sikkink, *Activists Beyond Border*, Cornell University Press, 1998, p. 2

⁴ Naomi Klein, *The Shock Doctrine*, Penguin Books, 2007, p. 198

⁵ Keck and Sikkink, op.cit., p. 218

relevance of this paper is thus found in its ability to widen the narrow prism of global examination.

My research hypothesis is that a current model of boycott, preconditioned by the trajectories and tendencies embedded within the process of globalization, presents a transformed model of boycott form that functions on a basis of interdependence between local and global tactics and ideologies, distinctive of the present stage of world history.

To investigate this hypothesis an analysis of agents involved in the present boycott model is required. Category A agents are organizations inviting category B agents to boycott the products and services of the category C agents worldwide. Category B agents are global Muslim consumers while category C agents are multinational corporations targeted due to their investments in Israel. For an examination of a relationship between category A and category B agents, a closer analysis of their respective conducts and behavior is needed. For an examination of category A, paper applies qualitative (small-N) methods, given the limited number of examination objects. Inquiry combines interviews with the selected representatives of category A and a discourse analysis of the publicly available information presented by the agents of this category. The purpose of this fractional examination is a depiction of agents' conduct, perception and strategy employed in mobilizing category B agents. Assisting device in this segment of examination is the analysis of opinions by "external", neutral participants of this dynamic phenomenon: for instance, media, academic society and international institutions. Characteristics of the category B agents are numerosity, spatial distribution and anonymity or, phrased differently, the inability of identifying the agents. Quantitative (large-N) analysis of the conduct by this category requires utilization of resources not available. Therefore, examination of the conduct by this agent category is interweaved with the data provided by the Category A agents and individual experts, pointing both to a mutual

dependence between the categories A and B, as well as the existence of religious affiliations influencing the behavior of this category. Results of this analysis are expected to support the arguments put forwards by this paper.

The first chapter of the thesis begins with an examination of the historical evolution of boycott model by addressing the Arab League boycott in detail and focusing specifically on its nature and the agents engaged within it. Analysis of the 1948 boycott against Israel from such angle enables an exploration of the historical shifts within the boycott form. This historical progression is demonstrated via an examination of the South Africa boycott during the apartheid era, where transnational networks emerged as one of the key agents in the boycott campaign. South Africa boycott entails within itself a global quality. However, global Muslim boycott of MNCs investing in Israel contains a level of distinctiveness that cannot be attributed to neither the Arab League nor the international boycott of the South African products. This distinctiveness is understood in a relation to boycott's nature and leverage agents employed – Muslim citizen – consumers.

The second chapter embeds these arguments within a broader framework of globalization theories. In specific, the emergence and the activation of Muslim citizen – consumers is situated within a context of globalization tendencies and trajectories that impact the state's ability to retain a position of a dominant provider of identification and a structure of relation amongst citizens and their governmental bodies.

In the third chapter, the concept of the global Muslim boycott of MNCs will be further elaborated on. Field research findings and interviews conducted with experts and organizations involved in the contemporary boycott against Israel serve as a conceptual frame

for assessing the paper's arguments. It is within the practical examples of the global Muslim boycott campaign that we can explore the wavering between local and global ideologies and strategies.

As a result of the conclusions stemming from this paper it is possible to approach study of boycott model from a novel angle. By observing the evolution of a boycott model through the prism of its nature and the traits of boycotting agents involved, this paper directly relates the emergence of the contemporary boycott paradigm to the current phase of globalization. The relevance of examining the current model of boycott is manifested in the fact that mechanisms crucial for its functioning are available to other agents as well. Depending on the success of global Muslim boycott of MNCs, the model may emerge as a blueprint to be replicated by other transnational networks.

Chapter 1 – Boycott as a Method of Economic Warfare: Chronology, Facts and Models

Diverse forms of boycott have commonly been used as methods of economic war and means to secure diverse political objectives. Denmark got hit by a Muslim economic boycott over the offensive cartoons; Pakistan boycotted Indian, while the United States formerly boycotted Cuban products. India chose to boycott British goods during their fight for independence, the Americans boycotted French wine and the world boycotted South African goods during the 1970s and 1980s, when transnational networks successfully utilized a divestment campaign as a mean for ending apartheid in South Africa.

This chapter will introduce the concept of the global Muslim boycott of MNCs investing in Israel by placing it within a broad analysis of a historical flux of the boycott model in specific relation to its nature and agents involved, demonstrated through an examination of the Arab League boycott of Israel and the South Africa boycott. Such historical study of boycott model allows for theorizing that the model of boycott examined by this paper is indeed a novel, contemporary development. Its nature has newly assumed a religious facet and its formation and functioning is preconditioned by an existence of a specific boycotting leverage agent: Muslim citizen – consumer. Emergence of this particular agent will be linked to courses and trends attached to contemporary historical development – neoliberal globalization and, given its relevance, comprehensively elaborated on in the Chapter 2.

1.1 Arab League Boycott of Israel: Agents, Targets and Methods

The Arab League Boycott of Israel was institutionalized in 1948 when a group of Arab states⁶ reached a decision to boycott the trade with a newly formed State of Israel. Boycott campaign has persisted in its original form until 1979, when Egypt abandoned the policies of the economic boycott.⁷ In the early nineties, the example of Egypt was followed by a number of other states,⁸ while the campaign as a whole ended in 2006.⁹ The boycott thus only started to fall apart from the late seventies onward, and the process was rather slow.

The boycott campaign against Israel was to be implemented on three distinct levels:

- prohibit all Arab countries from purchasing Israeli products (the primary boycott),
- prohibit all commercial ties with international companies doing business with Israel (the secondary boycott), or dealing with subsidiaries of these companies,
- avoid any association with those firms, which were on the Boycott "black list".

The Boycott Central Bureau, with the headquarters in Cairo, was in charge of implementing the boycotting ideas put forward by the Arab League and monitoring the entire process.¹⁰ In each of the original Arab League states, within the structure of the state administration, Boycott Offices, seen as branches of the Central Bureau, were established. Boycott Offices

⁶ The Arab League, officially called the League of Arab States, was established in 1945 when it was comprised of: Egypt, Iraq, Jordan, Lebanon, Saudi Arabia, Syria and Yemen.

⁷ Egypt and Israel Peace Treaty (March 26, 1979), Article III:The Parties agree that the normal relationship established between them will include full recognition, diplomatic, economic and cultural relations, termination of economic boycotts...etc., in Walter Laqueur and Barry Rubin (eds.), *The Israel-Arab Reader*, Penguin Books, 2001, p. 227

⁸ According to the Israel Ministry of Foreign Affairs Newsletter of February 1, 1994, Tunisia, Jordan and Morocco have, in 1994, stopped following the instructions of the Arab League, while the same practice was announced by Qatar and Kuwait, in Motti Besok, *Last days of the Boycott*, <http://www.mfa.gov.il> (Last accessed on May 19, 2009)

⁹ The official termination of the Arab League Boycott against Israel is dated to May 2006, when, after the Central Boycott Bureau conference, the media reported that the majority of Arab countries are evading the boycott.

¹⁰ After 1994, when Egypt's membership in the Arab League was revoked, the headquarters were moved to Damascus (Syria).

were also formed in each of the states that have joined the boycott campaign later on. Crucial functions of Boycott Offices was controlling the behavior of economic operators within the Arab League member states and maintaining and updating the "Black List" of global companies with whom to 'avoid any association' and with whom 'maintaining commercial ties' was strictly prohibited. Boycott Offices were operating in a close relation to the Ministries of Economy and Foreign Trade. Coordination of the actions by the network of Boycott Offices was trusted with the Boycott Central Bureau that was also required to report back to Arab summit conferences on the results of the boycott.

Important question is: who is the boycotting agent? It can be concluded that, within this model of economic boycott, the task of inspirator, or the initiator of the boycott campaign – the state, is interwoven with the direct executors of the boycott – the economic operators registered in the member states of the Arab League and the citizens of these states. Between these two integrated components, that comprise the boycotting agent element, legal obligation linkage exists. By utilizing legal binding measures, the state constrains the economic operators, with a goal of accomplishing the boycotting objectives. When a certain state abandons the economic boycott practices, or leaves the Arab League, the obligation of economic operators registered in the given state to boycott the trade with Israel is terminated. Local Boycott Office is shut down and the Boycott Central Bureau no longer possesses the means of acting towards the state in question, and thus the economic operators registered within it.

The position of the direct executors of the campaign, economic operators, is tightly linked to the political relations amongst the member states. Boycott executors can even become the subjects or the targets of the boycott. This is validated by one of the conclusions of the

summit conference of the Arab League: 'To freeze political and diplomatic relations with the Egyptian Government, to suspend dealings with it on the Arab and international levels and to apply the regulations, provisions and decisions of the Arab Boycott against Egyptian individuals, companies and firms which deal with Zionist enemy.'¹¹ Hereby, as a consequence of the shift in the politics of the President Anwar el-Sadat and Egypt's entering into negotiations with Israel, economic operators in Egypt that were previously seen as the direct agents or executors of the economic boycott have become the boycotting targets.

None of the phases of the Arab League boycott enabled the boycotting agents to act in accordance with their own economic interests. The status of particular boycotting agents, either legal entities or individuals, was conditioned by the status of their respective states: they were boycotting agents when their states were boycotting agents. If the state altered the opinion regarding the utilization of boycott as a method of economic warfare, the status of economic operators and individuals shifts, and they become boycotted agents. Political, ideological and other convictions held by the individual agents and their attitudes towards the boycott play no role within this model of boycott.

This brings us to the second question: who are the boycotted agents within this model? What are the relations amid them and how do these relations evolve? Given that the purpose of the economic boycott articulated by the Arab League is the weakening of the Zionist State of Israel, it is unquestionable that Israel is the intended target, and thus a boycotted agent of the boycott campaign utilized as a method of economic warfare. Effects on the target are achieved via repression, sanctions or prohibitions that may have an effect on other entities also seen as boycotted agents. Repression and sanctions are defined on three distinct levels and aimed at

¹¹ Arab League: Summit Declaration, December 5, 1977, Tripoli, Libia, in Laquerer and Rubin (eds.), op. cit, p. 217

diverse agent groups. Within the limits of the "primary boycott", or prohibition of purchasing Israeli products, boycotted agents are the Israeli firms for whom the Arab countries represent a solid market. On a "secondary" level, boycotted agents are the international companies doing business with Israel. On a "third" level, boycotted agents are not only the firms who find themselves on the "black list", but, as evident from the earlier analysis, also the companies from those Arab states that opt to abandon the economic policies of boycott inspired by the Arab League.

Within this set of boycotted agents, only the international companies have the option to opt - in and opt - out. For example, of the 500 largest corporations in the world, only seven have openly invested in Israel. When Coca Cola decided to enter the Israeli market, its directors knew that it would lose the entire Arab market, many times larger. Pepsi Cola entered the Israeli market only a few years ago, since its directors preferred, until then, to submit to the Arab boycott.¹² This fact points to the strength of the Arab - League boycott prior to its gradual evaporation from late seventies onward.

Members of the other boycotted groups are defined by their location that cannot be altered. From a methodological point of view, thus, the targeted groups are differing amongst themselves due to the strategic choices they can make. International companies, hereby, can alter their behavior in time and adapt to the given political and business circumstances. Local agents have no such luxury; their behavior is determined by the set of rules they have no control over. Boycotted agents, stemming from the distinct groups identified earlier, are heterogeneous in relation to their political, ideological and religious convictions. Thus, in contrast to the integration existing amongst the boycotting agents, a clear moment of

¹² Besok, op.cit.

disintegration is evident between the boycotted agents. Free market activity is the only synchronizing principle between these diverse groups.

Third question relates to the nature of the boycott, specifically: is this Arab, global, Palestinian or Muslim boycott? The key idea of the Arab League was a creation of a Pan – Arabic network for conducting an economic war against Israel, labeled as a "Zionist state". This is verified by the early / first / initial call of Arab League Council on December 2, 1945: "Jewish products and manufactured goods shall be considered undesirable to the Arab countries. All Arab institutions, organizations, merchants, commission agents and individuals are called upon to refuse to deal in, distribute, or consume Zionist products or manufactured goods".¹³ Therefore, the initial conceptualization of the Arab League model of boycott was formed around the language of Pan – Arabism. As such, regulation of institutions for the implementation of the economic boycott depended on the Arab states involved in the boycott campaign. However, some of the states have adopted the boycott politics rather selectively, with Algeria, Mauritania, Morocco, Somalia, the Sudan and Tunisia opting to not enforce the secondary boycott.¹⁴

This leads to a conclusion that, firstly, the boycott, if examined in the entirety of its duration, has lost its Pan – Arab nature gradually. Secondly, some countries external to the Arabic sphere, like the United Kingdom or Japan, have, in certain periods, cooperated with boycott. However, this practice was not spread to the extent that would allow us to deem it a global campaign. For instance, in 1977 the United States Congress prohibited cooperation with boycott campaign, whilst the same was done by France. Thirdly, despite the fact that "liberation of Palestine" was articulated within the boycott intentions; in operational sense this

¹³ Michael Bard, *The Arab Boycott*, http://www.jewishvirtuallibrary.org/jsource/History/Arab_boycott.html (Last accessed on May 19, 2009)

¹⁴ Ibid.

boycott was not Palestinian per se, given that the Palestinian Liberation organization did not hold a status of the Arab League member. Lastly, an attempt to internationalize the Arab League boycott against Israel in a religious (Islamic) manner, most likely, stems from the Hamas idea¹⁵ that has had an impact on some Islamic countries. For instance, Pakistan, Indonesia, Iran and Malaysia have periodically offered strong political and media support to the boycott. Nevertheless, the governments of these countries, and more importantly, Muslim citizens inhabiting them, were not organizationally included within the structures realizing the boycott campaign, thus we can posit that the Arab League boycott cannot be defined as "Muslim".

Bearing in mind all arguments presented, this boycott should be understood as “the Arab League Boycott” solely, and can be considered a paradigm of economic boycott for the campaigns led in the second half of the twentieth century, based on diverse motives and political objectives, and organized by a single state, or a group of states, against another state.

Transformation of the Pan – Arab envisioned campaign against Israel into the global Muslim boycott must be placed within a broader context of religious salience explored not only within the Middle – East but also in a growing number of communities worldwide. Such potency, matched by a decline of secularism, needs to be seen in its relation to neoliberal globalization and the way in which Muslims worldwide position themselves against the tendencies and trajectories attached to it. Paradox observable within the global Muslim boycott is observable in the oscillation between local and global aspects, whereby "even those most committed to

¹⁵ Hamas Charter (August 1988), Article Fourteen: "The problem of the liberation of Palestine relates to three circles: the Palestinian, the Arab and the Islamic. Each of these circles has a role to play in the struggle against Zionism and it has duties to fulfill", in Laquerer and Rubin (ed.), op. cit., p. 341

escaping the domination of modern universalisms, end up using global networks and global ideologies".¹⁶

1.2 Boycott of the Multinational Corporations: Model of South Africa

Utilization of global networks and global ideologies for the purposes of the boycott campaign can be first observed in the South Africa model of boycott. In this sense, anti – apartheid movement marked the emergence of a truly global nature of the boycott form and pointed to the importance of transnational forms of collective action and solidarity. Social and economic boycott against South Africa's apartheid regime has developed in three main circles of initiative during a thirty year period (1960 – 1994): United Nations, Great Britain and United States.

The United Nations' pressure on South Africa is a substantial element of the international community's fight against racism and racial discrimination. United Nations' Conference has, in 1962, reached a resolution 1761 that calls upon the Member States to take specific measures to bring about the abandonment of the policy of apartheid (racial segregation), including the breaking diplomatic, trade and transport relations with South Africa.¹⁷

In 1960, non – governmental sector got involved in the boycott campaign against South Africa when Anti – Apartheid Movement was founded in London with a purpose of "keeping South Africa's apartheid policy in the forefront of British politics".¹⁸ Great Britain represented a constructive ambient for a civil society's involvement given the vast concentration of

¹⁶ Evans, op. cit., p. 7

¹⁷ Peter Jackson and Mathieu Faupin, *The Long Road to Durban: the United Nations Role in Fighting Racism and Racial Discrimination*, <http://www.un.org/Pubs/chronicle/2007/issue3/0307p07.html> (Last accessed on May 22, 2009)

¹⁸ Arianna Lissoni, "The Anti – Apartheid Movement, Britain and South Africa: Anti – Apartheid Protest vs. Real Politik", Dissertation, September 2000

refugees and asylum seekers from African countries. Within the model of South Africa, we can thus observe the importance of mobilizing the local population under the umbrella of transnational networks of solidarity around the issues such as equality or human rights. However, the British government's effectiveness in the campaign against South Africa was limited by actual economic and political interests.

More than a decade later, in late 1970s and early 1980s, South African model of economic boycott acquired its final form and operational mechanisms when "US corporations operating in South Africa faced abundant criticism from civil rights activists, students, church groups, and others who believed US investment in South Africa bolstered the white minority regime".¹⁹ Such boycott campaign focused on divestment from South Africa via activists' pressure on "socially irresponsible corporations, causing them to improve their behavior".²⁰ Boycott against South Africa, actually against the government that based its politics on the doctrine of racial discrimination, ended in success when, in 1994, country's first all – race, democratic general elections were held and South Africa became a democratic country that guarantees equal rights to all its citizens, regardless of racial and ethnic affiliation.

Boycott of South Africa demonstrates definite model evolution in relation to the Arab League Boycott against Israel. Most notably, boycotting agent group is expanded beyond the sphere of the nation – state. International organization, churches, influential individuals, non – governmental sector, universities, students and the socially responsible corporations assume a role of an interconnected agent category that advocates, organizes, promotes and implements an anti - apartheid boycott. As such, it must be seen as a model of collective action by society, rather than by states explicitly.

¹⁹ Thomas N. Hale, "Transparency, Accountability and Global Governance", *Global Governance*, Volume 14, 2008, p.4

²⁰ Hale, op. cit., p. 5

In a parallel to the Arab League model, the success of the campaign is dependent on the legal relations present within the complex campaign structure. United Nations' Resolutions, mostly reached by a two – thirds majority, have no legal affect within the member states, not even those who voted FOR the resolution.²¹ Therefore, it was required that every nation – state develops own inner legislation in order to implement certain measures against another state, e.g. prohibition of trade and transport with South Africa, or with economic operators registered within the country. In different phases of the boycott campaign, governments have opted to act in accordance with their own economic policies. For instance, Great Britain "consistently refused to accept that the situation in South Africa fell under Chapter VII of the [United Nation's] Charter".²² Legal obligatory instruments were also needed in the process of implementation of the boycott campaign that was, based on the advocating undertaken by a non – governmental sector, adopted within the specific nation – state. In the United States "255 state and municipal laws that limited government procurement from or public investment in companies that did business in South Africa" were counted in 1993.²³

Examined from the angle of the boycotting agents involved, boycott model has transformed in regards to organizing features of the boycott performance. No single network of institutions exists that can be compared to the Boycott Offices present in the Arab League Boycott campaign, which intently defined the subjects, or the economic operators subjected to the boycott campaign. Relating to this is the shift in the behavior of boycotting agents regarding the campaign implementation methods. Within the U.S. circle of initiative, actors were divided into advocates of the total withdrawal and divestment from South Africa and a

²¹ This does not apply to the Security Council's resolutions which are mandatory. For example resolutions 181 and 182 (1963) imposing arms embargo on South Africa. Jackson and Faupin, op. cit.

²² Lissoni, op. cit

²³ Hale, op. cit., p. 4

fraction that supported a reform approach, "arguing that U.S. corporations can serve as a progressive force for change... investing in local communities [in South Africa]".²⁴

Hereby, it is essential to note that, within the category of boycotting agents, actors appear who act in accordance to the boycott objectives and thus become subjected to a potential economic risk, due to a withdrawal of private investments in bonds or financial organizations directly involved in South Africa. Representatives of this category of agents are, for example, U.S. universities that were leading the disinvestment campaigns on campuses.

In relation to the boycotted target and boycotted agents category, model of South Africa is relatively similar to the Arab League Boycott. The South African state is the intended target, while the economic operators registered within it are boycotted agents. Category of boycotted agents is further expanded by an addition of those corporations that do business with the defined target, whereby the selection criteria was most consistently adhered to in places where the public campaign was the strongest – in the United States.

Evolutionary moment of the boycott model is reflected in its nature: boycott against South Africa has obtained an international dimension, primarily due to the UN initiative. An attempt to internationalize the Palestinian problem was evident in 1975 when UN resolution 3379 was adopted, which determined that Zionism is a form of racial discrimination; however, in 1991, UN Assembly voted to revoke this determination.²⁵ In contrast to the Arab League initiated campaign, anti – apartheid boycott stands today as the historical model for the production of global forms of collective action. While nation – states and governments remained the important links in the implementation of the boycott campaign objectives, addition of non –

²⁴ Ibid.

²⁵ Jackson and Faupin, op. cit.

state actors has meant the expansion of the boycotting agent category. In addition, South Africa model reveals how globalization entails connectedness which enables social movements to emerge as an effective player in the new global sphere.

1.3 Muslim Boycott of MNCs: “Transformed” Model?

Research on the boycott of Israel, probably the most common point of interest within the literature on boycotts, indicates not only its complex and long history, but also the compound economic implications of such a campaign that has economically affected not only the intended target state, but also the boycotting countries. Despite its lengthy and intricate history, boycott of Israel has taken on a form of a global movement against the multinational corporations investing in Israel relatively recently. The creator of this model of boycott is the Presbyterian Church (USA). Its 216th General Assembly, held from June 26 - July 3 2004, has, with 431 votes FOR and 63 votes AGAINST, "approved several measures opposing the Israeli occupation of Palestine, including a call for the corporate witness office of the Presbyterian Church (USA) to begin gathering data to support a selective divestment of holdings in multinational corporations doing business in Israel/Palestine".²⁶

Approximately one year later, in July of 2005, this idea of boycott has mutated into an idea of global movement initiated by a coalition of Palestinian groups, consequently producing the campaign Boycott, Divestment and Sanctions. In 2005, Palestinian civil society called upon international civil society organizations and people of conscience all over the world to impose broad boycotts and implement divestment initiatives against Israel, "until Israel meets its

²⁶ <http://www.pcusa.org/ga216/news/ga04121.htm> (Last accessed on May 15, 2009)

obligation to recognize the Palestinian people's inalienable right to self-determination and fully complies with international law."²⁷

Boycott form advocated by the BDS campaign greatly diverges from that of the Presbyterian Church. The functioning of the former model of boycott according to the “boycotting agent – boycotted target” pattern has developed into a pattern of “boycotting agent – interface / leverage agents – boycotted target”. The model employed by the Presbyterian Church (USA), is based on the divestment of own assets from multinational corporations, meaning that the element of interface / leverage agents does not exist.

Interface or leverage agents, within the model of boycott promoted by the BDS campaign, are global consumers linked together through their specific convictions. BDS campaign calls for "people of conscience all over the world to impose broad boycotts and implement divestment initiatives against Israel similar to those applied to South Africa in the apartheid era".²⁸ Such boycott campaign, thus, departs from the state – dependent boycott form and instead situates "people" in the centre of the boycotting campaign. Legislations set by the state that formerly obligated individuals to adhere to the boycott principles no longer exist. Thus, contemporary leverage agents are not legally to pursue the objectives of boycott. They choose to do so due to their specific convictions which are aligned with the intents of the contemporary boycott campaign.

Although the actual aspirations of the BDS campaign are framed in a language of humanity, rather than religiously specific terms, closer look at the current boycott model allows for an identification of a strong element of religion that generates support for the global boycott

²⁷ <http://www.bdsmovement.net/?q=node/159> (Last accessed on May 30, 2009)

²⁸ Naomi Klein, "Enough. It's Time for a Boycott", *Guardian*, January 8th, 2009

campaign amongst Muslims worldwide. Therefore, this is a boycott that comprises both global and Islamic elements in its nature.

The dissertation hypothesizes that the a global citizen – dependent boycott structure altered from the previous state – led boycott due to neoliberal globalization that reduces the popular sovereignty over the state and transforms it into global consumer choice and NGO – led claim making. The case study used by this paper is the transformation of the Pan – Arab envisioned campaign of Israeli goods and companies doing business with Israel into the global Muslim boycott. In order to fully understand the theoretical arguments articulated within the thesis it is essential to dissect this specific empirical transition.

1.3.1 Transition from Pan – Arab to Muslim Conceptualization of Boycott

The initial objective for a Pan – Arab boycott started to tumble as early as 1979, when Egypt became the first nation to abandon the boycott. Egypt and Israel Peace Treaty states that: "the Parties agree that the normal relationship established between them will include full recognition, diplomatic, economic and cultural relations, termination of economic boycotts [...]".²⁹ Other Arab states, including Kuwait, Oman and Qatar, began establishing trade ties with Israel after the 1991 Madrid Conference and the subsequent Israeli - Palestinian peace process. In 1993, Kuwait's foreign minister officially announced that his country was faltering the boycott of Israel due to the potential of such a decision to aid Kuwait's national interest. The sentiment of the Kuwaiti leaders that "the lifting of the boycott may act to our benefit"³⁰ was echoed by Oman's foreign minister, when the leaders of the Gulf States met in 1993 in Riyadh, to discuss easing the boycott of Israel.

²⁹ Laqueur and Rubin, op. cit., p. 227

³⁰ Besok, op. cit.

This gradual evaporation of the Pan – Arab vision of boycott was matched by strong criticism from those who argued that the boycott would be fully lifted only after an inclusive peace was established in the Middle East. However, their sentiments were tested against those by the American Secretary of State Warren Christopher who announced the breakdown of the boycott with Jordan, Morocco and Tunisia representing just one group of countries no longer adhering to the instructions of the Arab League. U.S. Secretary of Commerce Ron Brown repeated these assertions following the meeting with Egyptian President Hosni Mubarak.

When, in December of 2005, Saudi Arabia became the member of the World Trade Organisation, definite end of the Arab League boycott against Israel was foreseeable. Whilst the benefits of joining the WTO included easier trade agreements with fellow members, one of the requirements of membership is the demand that "no member may boycott goods from another member", thus bringing to the fore the question of the Arab League and Israel.³¹ Saudi Arabia is the first Arab state whose membership in the WTO was conditioned by an abandonment of boycott principles of the Arab League. Although countries like Oman and Qatar opened trade missions with Israel and thus brought their economic boycott to an end, their membership in WTO did not require lifting the boycott. The importance of the Saudi Arabia's decision to break ranks with the Arab League boycott is reflected in the fact that, for the first time, the number of the Arab League members not boycotting Israel was greater than those that are.³² This development is crucial for it demonstrates a significant lack of unity for the Israeli economic boycott among the Arab League members. The idea of Pan – Arab unity, thus, ceases to exist.

³¹ Francis Daly, "Will Trade Ties Pave Way to Regional Concord?", *The Middle East*, Issue 363, January 2006, p. 52

³² Ibid.

Simultaneously, within the Arab states, economic benefits of easier trade and increasing competition were failing to trickle down to the level of the citizens. Across those Middle Eastern countries where development has failed to materialize, its decline has been matched by the decline of most other Northern ideologies, especially liberalism and secularism.³³ Throughout the 1990s, economic disorder came to overwhelm an increasing section of the population that was finding it impossible to legitimately influence government policy. The major enemies of the disenfranchised masses throughout the region are undemocratic political elites who had embraced secular versions of liberalism and modernist nationalism championed by the North, most specifically, the United States. These national elites ally with and are supported by the imperial North. In such setting, unable to push their claims onto state powers, "many of the disaffected turned to other outlets for recourse".³⁴ Progressively more, Islamic movements have assumed the position of a self – proclaimed opposer of the local secular elites and their imperial supporters. Rather than focusing solely on localized affairs, thus, these movements began to challenge Northern global ideologies and the concept of Northern globalization. As Mann notes: "the religious community is now seen as fighting against local secular or conservative elites in the service of American imperialism".³⁵

This struggle against imperialism resonates most powerfully where "Southern poverty meets Northern imperialism. In Islam this is especially marked in Palestine. Israel is seen as being a part of the North, and it is backed up by the Northern Superpower. The Palestinians are the quintessential poor and dispossessed Southerners [...]".³⁶ Given the fragmentation throughout the region between the countries allied with the United States, such as Egypt and Saudi

³³ Michael Mann, *Globalization as Violence*, <http://www.sscnet.ucla.edu/soc/faculty/mann/globasviol%5B1%5D.pdf> (Last accessed on May 26, 2009)

³⁴ James Toth, "Local Islam Gone Global", in Nash (ed.), *Social Movements: An Anthropology Reader*, Basil Blackwell, 2005, p. 120

³⁵ Mann, op. cit.

³⁶ Ibid.

Arabia, and those who lack American support, boycott mobilization under the slogan of economic weakening of Israel was no longer conceivable in the language of Pan – Arabism. Instead, movement against Israel needed to be phrased in a religiously determined terminology. Therefore, we can observe a shift in the conceptualization of boycott from Pan – Arab envisioned one to the Muslim defined one within the Arab countries.

For this boycott to emerge on a global scale, however, Muslim populations worldwide needed to be activated and involved. Such activation relates to neoliberal globalization which reduces a popular sovereignty over the state and transforms it into global consumer choice and NGO – led claim making. Religion comes into this equation in diverse ways. While we saw how religion is utilized within a context of Middle – East, now we shall situate Islam within a broader frame of a global arena.

Chapter 2 – Neoliberal Globalization, Religion and the Global Nature of Boycott

The materialization of a global Muslim boycott required an activation of Muslim citizen – consumers worldwide that was preconditioned by a resurgence of religion as a powerful source of identity. It is necessary to explain the process behind the emergence of Muslim – defined global citizens engaged in the boycott of MNCs investing in Israel. This religious trait, seen as a base for a creation of transnational links, must be understood in relation to the distribution of circumstances of social subsistence and the way people in such circumstances form and arrange their respective realities. Islam, hereby, emerges as a token of pride against both racial discrimination and imperialistic features of neoliberal globalization. Moral convictions, essential for the success of the South African boycott, and Pan – Arab vision, initially motivating the Arab League boycott, have been substituted with the language of Islam as the prime motivator of transnational linkages.

Additionally we have to understand the manner in which individuals are activated in the context created by globalization. Drawing from the work of authors³⁷ we shall argue that citizenship has been re – invented by the process of economic globalization, whereby consumerism, or consumer choice, surfaces as a tool of both exercising power and expressing solidarities. Economic globalization, thus, directly impacts upon the relative power of citizenship engagement and action, limiting it to a sphere where control is expressed through purchasing choice. Transnational organizations calling for a boycott of MNCs investing in Israel have, consequently, been presented with an ability to mobilize an exceptional number of global leverage agents who exercise power and express camaraderie linked with their

³⁷ Dagnino, Newman and Clarke

religious convictions through consumer choices they make. This development needs to be seen as a fundamental part of the contemporary boycott model where state – led initiatives have been replaced by citizen / consumer – based boycotts.

2.1 Neoliberal Globalization and the Trajectories Within

The last ten years have seen a downpour of literature on globalization, and while an apparent division between those who celebrate it and those who are viewing it in terms of issues such as poverty and exclusion exists, both camps commonly opt to focus their global analysis on the issue of interconnectedness. However, few authors have pointed out that, whilst important, transnational connections are only one part of the complex global processes. Some authors³⁸ see transnational connections as conditioned and even preconditioned by "those systematic processes that distribute social conditions of existence, of differential power, of control over resources and people in the world arena".³⁹ This is vital for the success of the global Muslim boycott against MNCs investing in Israel.

Thus, rather than taking the constricted route of approaching the examination of globalization from an angle of interconnectedness that characterizes it, this paper is concerned with the factors preconditioning such transnational connections. Hereby process of globalization is seen in relation to the breakup of major hegemonies, a process of fragmentation and decentralization of accumulation of wealth within the larger system. An examination of a contemporary context provides a clear illustration of indicators of this specific development. Friedman offers a rather detailed account of these indicators that allows for a conclusion that rather than symbolizing unification or integration, globalization has meant that the sagacity of the accumulation process is predicated on geographical shifts of capital, with the developed

³⁸ Turner and Friedman

³⁹ Jonathan Friedman, "Introduction", in Friedman (ed.), *Globalization, the State, and Violence*, Altamira Press, 2003

Asian countries becoming the leading region while the United States and Europe are experiencing a decline.

2.1.1 Double Polarization: Indigenous Locals, Global Elites and Transnational Links?

The decline of hegemony of the advanced industrial centers has led to a development described in terms of fragmentation. This process emerges as a prerequisite for the functioning of the global Muslim boycott since it links the decline of national project that defines its members in terms of equality and political representatives with the increase in alternative forms of identity. The decline of hegemony ultimately needs to be understood as a decline in the unifying force of its mechanisms of identification. While an exertion of hegemony over the process of globalization is still present, the states lose their hegemony over the shaping of nations within states, as that is delegated to capital. National identity thus becomes increasingly replaced by alternative identities that are no longer affiliated with the state. Friedman rightly suggests: "This process cannot be understood without placing it in the context of a weakened nation – state structure as a specific form of relation between people and their representative governmental bodies".⁴⁰ Economic globalization hastens division amongst population, given that, as it spreads, economic winners and losers inevitably emerge. As states "reorient themselves to the management of global economic processes as a prerequisite of fiscal survival, at the cost of discontinuing social programs for the aid of relatively disadvantaged elements of the population, the latter will have less and less reason to identify with the state as the political form of a community of which they can feel themselves full and equal parts".⁴¹

⁴⁰ Friedman (2003), op. cit., p. 8

⁴¹ Terence Turner, "Class Projects, Social Consciousness, and the Contradiction of Globalization", in Friedman, *Globalization, the State and Violence*, Altamira Press, 2003, p. 50

In this context, modernist concept of civic nationalism has relatively little power to stimulate loyalty to the state amongst the disfranchised masses. Similarly, elites who deem themselves as globally oriented, also have little stake in an identity as citizens of their states of origin. Given their new and advantaged class positions they find themselves not wholly based in the economic and political processes of their respective nation – states. As Turner notes, "they have little basis of identification or sense of national community with elements of national population such as unemployed or unemployable underclass and other marginal groups it comprises".⁴² The former salience of civic nationalism that united national elites with the "people", to borrow an expression from Friedman, began to fracture as early as the 1970s, around the time when the nation – states began to weaken. The resulting class stratification has meant a formation of strong globalizing elites that, rather than seeking links with the disadvantaged members of their respective societies, request ties with other political and cultural elites worldwide. These elites are linked to an economic project of transnational solidarity among themselves.

Solidarity and community amongst all members of society, regardless of status or class, that were once secured by sentiment of civic nationalism, have been replaced by two distinct streams of connectedness in a globalized world: on the one hand, links amongst the disadvantaged individuals who opt for non – state identities such as religion and, on the other hand, ties between globalized elites that increasingly seek to replace national identity with cosmopolitanism, thus distancing themselves from the world inhabited by indigenous and national populations.

⁴² Ibid, p. 51

A paradoxicality embedded in the nature of globalization processes is crucial for the functioning of the global Muslim boycott. While cultural fragmentation has seen the rise of indigenization as a powerful factor of identification among the marginalized populations and underclasses of hegemonies in decline, it has been accompanied by an increase in global unity in the form of, not only global elite formation, but also communication that surpasses the national borders. The contradiction of the processes examined is that, whilst those who increasingly choose to identify themselves as Muslims while seeking to escape "the domination of modern universalisms"⁴³, end up using global networks and global ideologies.⁴⁴ They all, as Friedman notes, interact on Internet and greatly depend on the transnational ties in getting their message across. Contrary to popular myth, most Islamic movements do want to modernize, though in a distinctly Islamic way.⁴⁵ These movements are both reactive and interactive with modernity, implying that, in a quest to spread their message and achieve their goals, these movements are free to "engage and even develop new forms of computer and communications technology [...]".⁴⁶ Friedman labels this process as the globalization of the local that needs to be understood as the powerful force of local / global articulation. The interaction between the global and the local is crucial for the success of the model of boycott this paper is focusing on, since it serves as the basis for the tactics employed by the organizations calling for the boycott of MNCs investing in Israel.

2.1.2 Globalization and the Resurgence of Religious Identity: Why Islam?

The tendencies towards decline of civic nationalism, fragmentation of society and emergence of non – state identities can be interwoven with resurgence of religion as a prominent form of identification. One of the developments of the last number of decades has certainly been an all

⁴³ Evans, op. cit., p. 7

⁴⁴ More specifically, networks of global NGOs and organized citizens and ideologies of human rights.

⁴⁵ Mann, op. cit.

⁴⁶ R. Scott Appelby, "Violence as a Sacred Duty: Patterns of Religious Extremism", in Appleby, *The Ambivalence of the Sacred*, Rowman & Littlefield, 2000, p. 88

– around revival of religion as a potent force in human affairs, pointing to, as Falk notes, a relevance to the concerns of not only the private, but also the public sphere. This resurgence of religion stands in close connection to a collapse of the imaginative ability of the secular awareness, particularly as it is materialized in the sphere of governance. As Falk argues, it is specifically within this political domain, where the preeminence of the territorial sovereign state has gone unchallenged for a long time, that the impact of economic globalization has been momentous. The social impact of economic globalization, despite its positive aspects, has been to condition and constrain the social roles of the state due to the reorientation of states towards the running of global economic processes. "States, as now oriented, lack the will and capacity to safeguard their own autonomy [...]"⁴⁷, thus implying that major governance responsibilities are transferred away from the level of the state. Given that secular imagination is reliant on the problem – solving capacities of the state, and that these have increasingly deferred to the main arenas of economic authority, a path has been cleared for a revival of religion. Religion emerges as a prominent factor in the contemporary setting which revises governance by the way of market, consequently creating a "inhumane global governance".⁴⁸

The current revisioning of authority that is generally opposed to the social functions of government has been strongly countered by the diverse transnational cluster of networks, coalitions, associations and initiatives, labeled by Falk as "globalization from below". The efforts undertaken by these movements are, as the author continues, informed by the spiritual and religious insight. Without religious identity, prospects for global humane governance appear to "lack a credible social or political foundation, and, more important, lack the spiritual character that can mobilize and motivate on a basis that is potentially more powerful than

⁴⁷ Richard Falk, "The Religious Foundations of Humane Global Governance", in Falk, *Religion and Humane Global Governance*, Palgrave, 2001, p. 27

⁴⁸ Ibid.

what the market, secular reason, and varieties of nationalism have to offer".⁴⁹ The main thrust of "globalization from bellow" movements has been within Islam. Mann argues that Muslim movements have long been able to nourish resistance against inhumane globalization and force of imperialism. "Though the decline of Muslim states began some centuries ago, the Ottoman Empire shared with China and Japan the distinction of never having been conquered by the West. Muslim forces in the Caucasus have also been the most effective rebels against Russian imperialism. Even in the inter-war period, substantial parts of the Arab world retained a degree of autonomy from the Western Powers".⁵⁰

Such strong Muslim memories remain of exceptional historical power, independence and opposition. They are called up and rearticulated not only by the excluded groups in Middle-East, but also by a disadvantaged, migrant, population worldwide. As such, Islam serves not only as a base for opposing neoliberal globalization and imperialism in Middle – East and global arena alike, but also as a token of pride for many migrant communities worldwide.

2.1.2.1 Migrant Communities: Global Religious Minorities

The process of double polarization is understood in its relation to a diminishing of civic nationalism as a source of solidarity and community amongst all segments of society. While the ideological situation at the early stage of the previous century was strongly nationalist, it has become reversed in the past decades. This turnaround or ideological conversion, vital aspect of a contemporary context, directly links to an importance of migrant communities as supplying grounds of leverage agents involved in the global Muslim boycott. Immigration, within a contemporary context, needs to be seen in a relation to an increasing tendency towards indigenization of local population.

⁴⁹ Falk, op. cit., p. 29

⁵⁰ Mann, op. cit.

Friedman identifies two arenas where a link between a retrieval of religious identities and immigration is evident. Firstly, "public political discourse and struggles for recognition of [migrant] groups" and secondly, "formation of underclass in the different national states" that is migrant composed.⁵¹ Formerly, migrants tended to integrate into the larger national arena, whereby in process of accommodation, "the cultural hierarchy between national versus immigrant was clearly established"⁵², however by 1970s the situation began to change. The most significant aspect of this alteration is found in the migrants' rejection of national minority identity. Siefert, for instance, notes a high percentage of German migrants who deny "German identity", while Gitlin recognizes the same identity shift in the United States. These examples are not to be viewed as lexis of migration, but rather of changing minority identity in general.

Within this outline, we can observe the parallels amongst the migrant communities worldwide. Struggle for recognition of migrant groups has been characterized by their inability to push civic claims onto states in which they comprise a minority. These communities thus relive the realities experienced "at home", where their struggle was framed in the language of opposition against the undemocratic elites. The complex relations of power and resistance, explored in an immigrant context, are further illuminated in the tendencies for minorities to become parts of underclass in a period of a rising cultural classification. When fault line between the winners and losers of economic globalization occurs along the [religious] lines⁵³, Muslim immigrant communities will seek even more strongly to cut the ties with the state, no longer the political structure of a community of which they can feel themselves parts. Poverty, contrary to common belief, does not breed resistance per se. However, the perceived injustice of the distribution of wealth and power, which Toth

⁵¹ Friedman, op. cit., p. 9

⁵² Ibid, p. 10

⁵³ Graham E. Fuller, "Redrawing the World's Borders", *World Policy Journal*, Spring 1997, 14, 1, p. 18

recognizes as one of the defining features of Islamic doctrine, generates grounds for a global resistance movement to emerge. This focus on poverty, power and the injustice symbolizing their relationship attributes the Islamic section with not only a sense of great aggravation but also charm and potency.⁵⁴ Global boycott of MNCs investing in Israel emerges as an invaluable framework within which we can observe an integration of marginalized Muslims into nonnational associations. These sodalities "provide conditions of reproduction in economic and cultural terms that the nation – state has not been able to afford. The result is the formation of oppositional identities that become increasingly transnational".⁵⁵

Trajectories and tendencies attached to the process of globalization such as double polarization, cultural fragmentation and the religious revival, may produce forms of resistance that destabilize only at a limited level. As such, they are aimed at addressing local or regional affairs. However, contemporary Muslim boycott against Israel causes a more systematic impact across the world. It is only within a Muslim boycott that we can identify an articulation of locally defined grievances and a struggle against the idea of a Northern globalization. This struggle, as suggested earlier, resonates especially strong in the Israel – Palestine conflict, for this is a sphere where the Southern poverty meets Northern imperialism. While Palestine symbolizes the prototypical poor and deprived Southerners, Israel is seen as a part of the North and supported by a strong Northern superpower – the United States.

Mobilization of agents involved in a campaign to economically weaken Israel no longer progresses along the lines of morality or Pan – Arabism. Rather, despite the fact that the objectives of the campaign are framed in the language of humanity, the main driving force of such mobilization is Islam. Transnational movements who are calling for a boycott of MNCs

⁵⁴ Toth, op. cit., p. 118

⁵⁵ Friedman, op. cit., p. 10

investing in Israel operate within a context in which Islam is seen not only as a dominant sources of identity, enabling transnational linkages between individuals who no longer feel affiliated with the state, but also as a salient factor in a struggle against imperial features of neoliberal globalization.

2.2 Economic Globalization and the Remaking of Citizenship

Marginalized social groups and elites alike opt to detach themselves from the nation – state identities in favor of substitute sources of identification. No longer united under the strong banner of civic nationalism, these social segments of population form transnational links with analogous individuals worldwide, creating transnational links that surpass the boundaries of the state. The polarization of society cannot be understood without placing it within the framework of transformations of the nation – state structure resulting from neoliberal globalization. As national structures are disturbed and state is decentered as the key domain of power, it comes as little surprise that citizenship is being amended and rephrased into new arrangements.

Citizenship, as Newman and Clarke argue, "condenses a variety of political, governmental and cultural projects: those that seek to restore national identity and belonging as well as those who seek to re – invent relationships between people and the state".⁵⁶ The story of the remaking of citizenship therefore has many different varieties. For some, it is a narrative of decline and desertion as previously welfare states increasingly expose their citizens to the power of markets, thus leaving them to undergo the violence that markets create. As Newman and Clarke recognize, this decline is ultimately manifested in the evacuation or diminution of

⁵⁶ Janet Newman and John Clarke, *Publics, Politics and Power: Remaking the Public in Public Services*, Sage, 2009, p. 154

citizenship, especially its shrinking political and social substance. This paper already exposed the erosion of the lines of connection and solidarity amongst the differing social classes within the nation – state structure, which Clarke and Newman see in relation to the twin courses of individualism and consumerism that confirm the weakening of a domain of citizenship engagement and action. However, the focus on demise of citizenship is only one chapter in the story of the remaking of citizenship. As previously noted arguments by Falk illustrate, some observers concentrate on the transnational expressions of citizenship that surpass the boundaries of the nation – state. Falk's narrative on the creation of humane global governance, grounded in the universalistic regime of human rights, envisions a religiously informed citizens operating within transnational movements viewed as significant actors in the globalizing world, while Sassatelli investigates a prospective of the market to provide means of endorsing citizenship through consumer, instead of political, power.

Global Muslim boycott of MNCs investing in Israel is an indispensable point of analysis, for it enables a study of citizens' activation not as a static and solid unit, but rather as a synthesis of various efforts, simultaneously limiting and engaging individual citizens, therefore emerging as a framework for studying the complex story of the remaking of citizenship.

Attention will be paid to the creation of an active citizen – consumer, placing it within the context of neoliberal globalization project, principally concerned with the remaking and limiting of citizenship, before linking it to the boycott of MNCs examined by the paper. In Bobbitt's *The Shield of Achilles*, the potential for a clash between citizen demands and the market – centered reforms accompanying the current period of globalization has been detailed. The author argues that, although the reforms have meant that public services are

encountering the pressures to manage with fewer resources, due to the states' reorientation towards market imperatives as argued in the preceding sections, citizen demands are growing. Consequently, there is a necessity to reconcile the two opposing courses, citizen demands and the market – centered reforms, via the remaking of citizens as active consumers. Within the context of neoliberal project, the range of citizenship is transformed towards an exceptionally dissimilar social imaginary – a society of individuals who understand themselves as private figures with a limited array of freedoms that can be exercised in market and whose principal rights are 'spending their own money'.⁵⁷ Hence, the notion of citizenship, under the neoliberal inspiration, has been perceived and promoted as mere individual incorporation into the market. Rather than abandonment of citizenship, as some authors have perceived it, creation of an active citizen – consumer represents a redrawing of citizenship. Definition of citizenship is reduced to individualistic understanding of it, or in other words “being a citizen comes to mean individual integration into the market as a consumer [...]”.⁵⁸

As the historical hegemonic project is lost, segments of population that were once termed through civic nationalism are left with no project other than individual commodity consumption as the instrument of production of personal social identity.⁵⁹ Consumer choice, within this context, emerges as the key mechanism by which citizens can exercise power and control over important aspects preoccupying their lives. In other words, through their private shopping choices, individuals are seeking to exercise control over their realities. Similarly to surfacing of religion as a substitute of national identity, consumption as a form of identity needs to be understood within the context of a weakened nation – state configuration as a form of relation between people and their representative governmental bodies. Rather than

⁵⁷ Ibid, p. 159

⁵⁸ Evelina Dagnino, "Participation, citizenship and democracy perverse confluence and displacement of meanings", in Neveu (ed.), *Cultures et Pratiques Participatives: perspectives comparative*, L'Harmattan, 2007, p. 367

⁵⁹ Turner, op. cit., p. 58

relying on their representative governments to best stand for their objectives, citizens opt to engage and impact their worlds within the sphere of market that is seen as a new site of politics to which citizen – consumers can actively contribute using their purchasing power. Therefore, the market, and not the state, is viewed as the key institution to provide choice and alter the realities of individuals who no longer feel affiliated to their nation – states or have been disadvantaged due to the impacts of globalization uncushioned by the state structures.

It is within the model of global Muslim boycott of MNCs that we can observe how active citizen –consumers choose to position themselves in contrast to their governments' actions, or lack thereof, through the utilization of their purchasing powers. Organizations spearheading the boycott against MNCs investing in Israel emerge as agencies acquired by active citizens.

Chapter 3 – Global Muslim Boycott of MNCs Revisited: Local Basis – Global Action?

One of the defining features of the global boycott of MNCs investing in Israel is the acquisition of agency in a form of organizations spearheading the boycott. Within the current period of globalization, not only is citizen participation understood as active, at the level of an individual, it is also possible to attribute an agency to the global entity produced by the those systematic processes that dispense social conditions of existence, of differential power, of control over resources and people in the world arena. Warner recognizes the ability of citizens to act, to rise up, to speak and reject false promises, to be satisfied or discontent.⁶⁰ An attribution of an agency to citizen entity places the ability of citizens to scrutinize, ask, reject, decide and judge, in relation to the state. Citizens consequently enter a realm of politics, where consumer choice is used as the key tool of exercising power and expressing solidarities. IslamBosna, the biggest and most visited Bosnian Islamic web portal, utilizes the ability of citizens to exercise power through the purchasing choices they make as a key vehicle of their boycotting campaign. "Boycott is a non – violent act that enables all citizens, including the citizens of Bosnia and Herzegovina, to express their believes via available means. [...] Any man or woman is free to use their own money in a manner they deem appropriate by favoring some products above others".⁶¹ The moral purpose of IslamBosna supported campaign is the expression of solidarity with the Palestinian people, struggling against the Israeli occupation, and the rising of awareness regarding the issue of Palestine on an individual and collective level. Economic objective is pressuring the state of Israel to end the half – century long aggression of Palestinians through a rejection of goods generating from Israel and MNCs

⁶⁰ Michael Warner, "Public and Counterpublics", *Public Culture*, Vol. 14, No. 1, 2002, p. 88

⁶¹ Email interview with IslamBosna, conducted on April 30, 2009.

conducting business with the country. For this purpose, IslamBosna has devoted a section of its website to articles containing a comprehensive list of specific companies that are proven to be investing in Israel. IslamBosna, Bosnia and Herzegovina based group existing for more than ten years, assumes a role of an educator of masses who wish to get involved in a boycott against Israel on means of doing so. The ethical purchasing decision of people is disturbed by the deficiency of precise information as to which companies to boycott. Hence, IslamBosna carried out extensive research to identify the "culpable" companies and their list is currently comprised of 37 companies. By opting to reject the products of a specific company identified by IslamBosna, an individual actively participates in a campaign to economically weaken Israel. As the individuals behind the campaign state themselves, there are no grand illusions that this consumer – boycott will lead to a complete collapse of the Israeli economy, however it serves as a strong token of solidarity with the Palestinians. It raises the awareness on Palestine – within us and around us.

Interview with IslamBosna, however, offered little data to suggest that Israeli economy is taking a hit at all. With an exception on the organizations research on Coca Cola and the decrease of their market in the Middle – East, little evidence is provided on the economic indicators pointing to an international effectiveness of this wide – encompassing campaign. The scope of products and companies targeted by the boycott may be the actual problem. While IslamBosna identifies 37 companies, UK based Innovative Minds lists more than 100 companies and products that consumers should boycott. Friends of Al – Aqsa, UK based non – profit making NGO concerned with defending the human rights of Palestinians, recognizes that different organizations will encourage people to boycott hundreds of products and companies found on their targeted list. Interviewed representative of the organization however

notes: "If you can do it, do it, but my personal view is that no one is going to be able to do something like that, hence the campaign is not going to have an effect".⁶²

Strategy implemented by Friends of Al – Aqsa is to instead focus on a limited number of corporate organizations as the boycotted targets. Approximately five companies ultimately chosen are the ones the organization wants "everyone to buy into and there is no excuse for not rejecting them".⁶³ Such an approach is also believed to simplify the boycott behavior of the boycotters. Global individuals the organization is addressing, the audience, are day to day people who have a consciousness, but they also do not have time to read everything, investigate and see where all the products are coming from. Consequently, they look at the organizations such as Friends of Al – Aqsa for guidance and "if we are going to complicate things and say do everything, then their involvement in boycott is made more difficult as they have to decide what products and companies to ultimately reject. So if we step up and say - these are the five or these are the three – then that makes it a lot easier for them. People often email me and ask if they should boycott a specific company and I say go for it if you can, but these few are the ones we are asking you to go against".⁶⁴

Estimating the implications of such a focused campaign on the economy of Israel would, nonetheless, require a strong coordination between different organizations spearheading the global campaign for economic weakening of Israel. However, at the moment, as acknowledged by the Friends of Al – Aqsa representative, this campaign is not structured properly. Whilst organizations spearheading the boycott of MNCs investing in Israel collaborate within a framework of a global Boycott, Divestments and Sanctions (BDS) movement, a lot of boycotting is done ad hoc, based on actions by diverse organizations not

⁶² Interview with Friends of Al - Aqsa, conducted on April 24, 2009, London.

⁶³ Ibid.

⁶⁴ Ibid.

fully collaborating amongst themselves. One of the responsibilities of Friends of Al – Aqsa is to try and coordinate a boycott campaign much more effectively. When considering boycott tactics, different organizations must identify a company they can agree on and subsequently make sure the selected company takes an economic hit. "In regards to the evaluation of the effectiveness of the campaign against MNCs investing in Israel, this type of strategy works. When organizations agree on a company and assure that all of its products are boycotted, then if that company takes a hit, people will know that what we are doing is effective".⁶⁵ No agreement amongst the organizations on other goals articulated by the campaign needs to exist; however economic weakening of Israel as a mean of exercising pressure to end Palestinian struggle emerges as a common objective that enables a cooperation between diverse organizations.

While IslamBosna recognizes no formal linkages with other organizations and groups active in the boycott campaign, Friends of Al – Aqsa is engaged in practical interconnectedness, not merely based on ideological groundings or target classification. "My boss just came back from South Africa and a lot of comparisons were made between the Israel and the apartheid system that existed over there. Ten years ago, he would not have been in a position to forge the links across the world and just fly over there for a few days to share knowledge and see what their experience was, what they went through and how we can perhaps learn for the strategies they implemented in their quest to end apartheid".⁶⁶ This practical interconnectedness would not have been viable previously. Weekly reports from the Palestinian Centre for Human Rights (PCHR), a Non Governmental Organisation based in Gaza City, on what is going on in Palestine and what they were doing would be equally unimaginable. "Instant knowledge and share of information is very important to us. We do

⁶⁵ Ibid.

⁶⁶ Ibid.

that very easily over the email or over the phone that was not possible before".⁶⁷ Organizations such as Friends of Al – Aqsa thus represent national agents of a transnational movement that is able to "take advantage of the technological capacities associated with generic globalization".⁶⁸ The introduction of an element of religion, nevertheless, points to ability of this global movement to turn neoliberal globalization's "own ideological and organizational structures against itself".⁶⁹

As noted earlier in the paper, the main thrust against neoliberal globalization has been within Islam, where Palestine emerges as a sphere where it resonates most strongly. It is a sphere where "Southern poverty meets Northern imperialism".⁷⁰ Israel is perceived as being an element of the North and it is backed up by the Northern Superpower – the United States. The Palestinians, on the other hand, are the archetypal poor and deprived Southerners, struggling in their resistance against Israel and its Northern supporters. National associations of religious solidarities and resistances such as Friends of Al – Aqsa, PCHR or IslamBosna, evident within Middle – East but also Muslim communities worldwide, are strengthened and made more globally resounding by their participation in a transnational resistance to a concept of Northern imperialism exemplified in Palestine – Israel conflict. Global Muslim boycott of MNCs investing in Israel is conducted by a transnational network of interconnected congeries of national divisions that differ in their resources and cultural foundations. As such it necessitates recognition of local stipulations.

Friends of Al – Aqsa state how the general concept of boycott campaign comes from a national organization such as themselves that shifts it towards their local branches and, given

⁶⁷ Ibid.

⁶⁸ Evans, op. cit., p. 5

⁶⁹ Ibid.

⁷⁰ Mann, op. cit.

that these divisions have better knowledge of the local community, they accordingly decide on the manner in which the campaign will be articulated or presented to the citizens and implemented. The organization has six branches that each take actions within their particular areas, whereby an approach that may work in one region will prove to be ineffective in other, implying a need of articulating and applying the campaign in locality conditioned language. These local branches "will do events and gatherings. However, something that works in London, for instance, will not work elsewhere. London is very specific, things you do in London you cannot do elsewhere. You may try and implement policies that worked in North and it will not work here. The way we live is different, we think differently, we consume differently. Our culture and way of life is specific, and we can be more innovative in our approach. But if we take our approach up North, it will not work because their sets of values are different".⁷¹ On 12th of May, for example, Friends of Al – Aqsa organized a discussion on boycott through hip – hop music and fashion. "That will not work in North, since they will say it is not Islamic, but people here are a bit more open to different ideas".⁷²

Implementation of boycott is, nevertheless, often more simple in the Northern cities, for instance Leicester. This is due to a fact that religious communities are much tighter there. Most of the consumption is made in local Muslim stores, and although, some still stock products made by targeted companies such as Coca – Cola, this changes when they recognize that boycotting is indeed efficient. Organizations spearheading the boycott campaign are thus required to demonstrate that the campaign is indeed having an effect, advocating the need for a focused boycotting approach taken on by Friends of Al – Aqsa.

⁷¹ Friends of Al – Aqsa Interview

⁷² Ibid.

Global Muslim boycott of MNCs is, thus, greatly locality dependent. Without an ability to speak directly to the local people, transnational network of organizations calling for the economic weakening of Israel has no effective base, implying that their ability to accomplish their goals is rather limited. Drawing from the work of Evans, this paper argues that if global corporate strategies depend on creating deracinated consumers incapable of collective action, transnational networks engaged in the boycott of Israel depend on the opposite.⁷³ Indeed, these networks rely on their ties to local communities that are increasingly able to engage in collective action with a goal of attending to their concerns and bringing about desired change. Thus, a twofold dependence produced as a result of globalization process can be observed within a Global Muslim boycott examined by this paper. The success of transnational network of organizations calling for a boycott of MNCs depends on the potency of their links to local communities and their ability to address the concerns voiced by the individuals who, while rejecting global ideologies of pluralism and multiculturalism, paradoxically rely on transnational connections in their quest to attend to issues disregarded by the state.

Muslims, viewed in a narrow frame of Middle – East and a broad global context, have articulated Islam against undemocratic national elites that ally with and are supported by the Northern superpowers and as a token of pride against discrimination and neoliberal globalization. As such, they have spoken against the state that ceases to be a form of link between people and their representative governmental bodies. Friends of Al – Aqsa points to the reluctance of the UK government to act in accordance with the wishes of their citizens. "Our government does not reflect the people's opinion. It is not just an issue of Palestine; it was the same with Iraq. Majority of people did not support the war in Iraq, but did we take

⁷³ Evans, op. cit., p. 7

our troops out of the country? No. We have a government that does not listen to its people".⁷⁴ Given the present reluctance of governments to act in accordance to the wishes of their citizens, the organization points to the necessity of citizens to pressure their representative governmental bodies and thus potentially impact upon the future actions of the state. In other words, organizations such as Friends of Al – Aqsa, see it as their mission to educate the citizens on the issue of Israeli – Palestinian conflict, thus motivating them, and essentially teaching them how, to try and influence the politicians, who have remained silent concerning the events in Gaza. Friends of Al – Aqsa argue that the UK government should have a moral conviction to condemn the Gaza situation, however in their reluctance to do so; their organization emerges as the agency of the citizens that is ready to address and tackle the issues ignored by the state structures.

Dr. B.D., UK based financial advisor, academician and strategic analyst, author of numerous critical studies on the boycott phenomenon, argues that such a link between citizens and organizations calling for a boycott of MNCs investing in Israel greatly depends on the element of confidence engraved in such a campaign. Dr. B. D. states that the ability to influence and motivate citizens to actively participate in the boycott through a deployment of their purchasing choice relates to the quote "you judge yourself with what you think you can do; others judge you by what you have done". Hence, the actual effectiveness of a boycott campaign will not go unquestioned by the citizens. Nonetheless, Dr. B. D. strongly believes that certain citizens will keep on boycotting in hopes of changing the policies of Israel, regardless of the success of the boycotting efforts.⁷⁵ Hereby, Islam emerges as the key point of consideration. Dr. B. D. believes that the continuation of the boycotting campaign is

⁷⁴ Friends of Al – Aqsa Interview

⁷⁵ Interview with Dr. B.D., conducted on April 29, 2009, London.

essentially conditioned by an ability to utilize religion or "opium of the masses"⁷⁶ as the dominant basis of the campaign against Israel.

While organizations such as Friends of Al – Aqsa and IslamBosna may articulate the objectives of boycott in a language of humanity, rather than religiously defined terms, there is a great area of overlap between human rights framing and Islamic guidelines. This overlap relates to the concerns within Islam about justice and in particular social justice that affords individuals and groups just treatment and an unbiased share of the benefits of society. Within Islam, concerns regarding social justice are expressed in the frame of perceived injustice of the distribution of wealth and power. Accusations against unfair ruling elites are not merely related to economic or financial blames. Rather, as Toth notes, they are "first and foremost moral criticisms. Allegations of arrogance are [...] principled arguments against the misuse of authoritarian power."⁷⁷ Muslim society opts to embrace Islam in large part because it upholds the society's sense of justice. Today that sense of justice includes a deference of human rights.⁷⁸ In the contemporary setting, the United States positions itself as a leading promoter of the human rights. It assesses other states in their performance of human rights and organizes unions with citizens against states elsewhere around human rights violations. Israel emerges as the single best counter point where citizens around the world as well as nation – states can use the human rights frame against the United States. Organizations engaged in the economic weakening of Israel can thus employ a language of humanity in their struggle against neoliberal globalization and its protégé Israel.

⁷⁶ Ibid.

⁷⁷ Toth, op. cit., p. 118

⁷⁸ R. Scott Appleby, "Serving Two Masters? Affirming Religious Belief and Human Rights in a Pluralistic World," in Carlson and Owens, *The Sacred and the Sovereign: Religion and International Politics*, Georgetown University Press, 2003, p. 191

While the issue of apartheid is certainly one of humanity and not of religion, the mobilizing tactics and strategies of organizations calling for boycott of Israel are predominantly religiously determined. When discussing society's willingness to engage but lack of knowledge on how to do so or who to engage with, Friends of Al – Aqsa note the importance of outreach by organization such as themselves. While the present globalized context may lead to a premature conclusion that such outreach is mainly internet based, spreading the message across is surprisingly not internet related. Mobilizing has more to do with religious gatherings and talks at mosques, as suggested by Friends of Al – Aqsa. Addressing the masses and educating them on the issue of Palestine thus takes place at localities that are categorically occupied by a specific citizen: Muslim. The audience is socially defined in advance by their very participation in these kinds of discourses; given that non – Muslim citizens are not presumed to be present in these kinds of localities.

This is not to imply that linkages with non – Islamic organizations or agents are not viable, as demonstrated by Friends of Al – Aqsa who work closely together with Palestine Solidarity Campaign, represented by people from all faiths and political parties. Rather it points to a paradoxical duality characterizing the organizations spearheading the boycott campaign. Friends of Al – Aqsa appeal to people of good consciousness worldwide to get involved in their campaign, yet their key mobilization is conducted in mosques. IslamBosna seeks to offer an "Islamic alternative to modern world"⁷⁹, yet remains entirely internet based. These sorts of paradoxicalities characterize the global Muslim boycott of MNCs investing in Israel. Organizations spearheading it almost operate on two completely different worlds and they happily live like that.⁸⁰

⁷⁹ <http://www.islambosna.ba/index.php/o-nama> (Last accessed on May 28, 2009)

⁸⁰ Dr. B.D. Interview

Thus, regardless of a desire of organizations to articulate their objectives in religiously unspecific terms, Islam has certainly become a crucial trait of campaigns against Israel. Moreover, the trend of relating one's purchasing choice to the religious qualities attributed to this person is extremely powerful. "You choose to boycott Israel, you are good, but if you are buying Israeli products, you are a bad Muslim".⁸¹ In this sense, the idea of a dual identity, or Muslim citizen – consumer, is supplemented by Balibar's notion of belonging. No individual is a man or woman "without qualities", but always a particular individual with social and moral properties, in this case: a good Muslim.⁸²

Global Muslim boycott of MNCs investing in Israel approached from an angle of consumers is thus understood as twofold: firstly, what is the consumer's own internal scale of measuring the feeling attached to the specific purchasing choices, or, how will the consumer feel buying an Israeli made product. Secondly, what opinion will the others form in relation to the consumer choices made by the individual citizens, or, will they be thought of negatively if they purchase products originating or supporting Israel. Religion is hereby utilized as a measuring scale able of attributing certain qualities to Muslims worldwide on the basis of their purchasing choices.

Dr. B. D. believes that the success of the boycotting campaign, if measured in the indicators demonstrating actual economic weakening of Israel, is very much in question given the selective nature attributed to the purchasing choices made by the individual consumers. Regardless of a religious dimension, consumer behavior is product dependent. This suggests that, while Israeli oranges are boycotted, medical equipment is not. Such selectiveness, according to Dr. B. D., will impact upon the ability of boycott to secure significant

⁸¹ Ibid.

⁸² Etienne Balibar, *We, The People of Europe? Reflections of Transnational Citizenship*, Princeton University Press, 2004.

quantifiable hits on the economy of Israel.⁸³ For boycott of Israel to work it has got to be hermetically sealed and the international support of Israel has got to stop. As long as Israel is "handled with kid gloves"⁸⁴ efforts by organizations such as IslamBosna and Friends of Al – Aqsa will have relatively inconsequential effects. Dr. B. D. affirms that boycott can only be effective when operating indiscriminantly, or in other words, when it gradually targets all companies investing in Israel, regardless of the goods they produce. This targeting is, conversely, dependent on a revision of the product – dependent consumer behavior currently resulting in a selective form of boycott. Relevance of this paper is its ability to situate Muslim citizen – consumers in the absolute center of the boycotting campaign, given their importance for the outcome of the campaign examined. Unless the product – dependent conduct of leverage agents is modified, cold business calculations attached to the potential loss of customers that "led many companies to pull out of South Africa two decades ago"⁸⁵ will cease to be a realistic hope for brining about a change in Palestine. Organization such as Friends of Al – Aqsa and IslamBosna are important given their ability to educate the masses on the importance of their full involvement in the boycott campaign.

⁸³ Dr. B.D. Interview

⁸⁴ Klein, op. cit.

⁸⁵ Ibid.

Conclusion

This thesis has provided a novel and original method of studying the boycott model. It utilized the nature of boycott and the agents involved as a point of reference, consequently enabling a direct linking between the specific boycott model and the historical context within which it operates. This approach pointed to a gradual transition from multilateral state – led boycotts to citizen / consumer – based boycotts, exemplified by the global Muslim boycott of MNCs investing in Israel.

Organized consumer product boycott depends on mechanisms that must be conveyed in an easily understandable fashion that will evoke broad sympathy in the general consuming public.⁸⁶ The idea of both South African and Israeli apartheid state can be seen as condemned across all regions of the world, thus producing a powerful basis for generating global solidarity.⁸⁷ An ability to appeal to a specific audience and thus mobilize an exceptional number of leverage agents is, nevertheless, a development characteristic of the contemporary phase of globalization. As centrality of the state in identity formation starts giving way to competing identities, Muslim populations worldwide emerge as no longer citizens of their nation – states, but rather as Muslim citizen – consumers globally united in their shared desire to economically weaken Israel. The study of the contemporary boycott form, operating according to a “boycotting agent –leverage agent – boycotted target” pattern, thus required situating an analysis of agents involved in the campaign within a current context of globalization.

⁸⁶ John M. Kline, *Ethics for International Business: Decision Making in a Global Political Economy*, Routledge, 2005, p. 237

⁸⁷ Evans, op. cit., p. 18

This thesis concurrently traced the historical evolvement of boycott and theorized that its present form is preconditioned by trends attached to the contemporary stage of globalization. The functioning of the current boycott paradigm is equally determined by attributes of the globalized world where a mutual dependence between global and local factors can be observed. Local populations' desire to arrange their globalization – impacted worlds is linked to transnational movement engaged in the economic weakening of Israel that emerges as an agency acquired by the locally rooted citizens. While the locally rooted communities rely on transnational links and ideologies in attainment of their objectives, research conducted confirms that the success of the transnational campaign to economically weaken Israel depends on its ties with the local population and its ability to address the priorities of the local communities. Global Muslim boycott of MNCs thus emerges as a framework for observing not only the historical evolvement of the boycott form but also for understanding the complexities and paradoxicalities attached to the process of globalization. Local and global factors, hereby, interlace within a context in which the state ceases to be a relevant factor within a boycotting campaign.

In order to effectively deal with the distinctiveness of the contemporary model of boycott, scope of the thesis needed to be limited in two major ways. First limitation relates to the character of the agents and the nature of boycott. The paper examines only the global Muslim boycott of MNCs investing in Israel. Closer examination of the contemporary boycott form allowed for this sort of limitation. Namely, organizations promoting the campaign declare themselves in a manner that leaves no doubt that they are addressing Muslims across the world. Furthermore, their mobilization tactics warrant the same conclusion. Second limitation is related to the locality of campaign promoters examined. Research focused primarily on the

United Kingdom and Bosnia and Herzegovina, therefore analyzing materials relating only to the activities of selected organizations operating within these two countries.

Future studies of the present boycott model can expand their range beyond these limitations, conducting a research outside the confines of a religion – specified frame and encompassing an exploration of actions by diverse organizations worldwide. Future studies could thus provide an even broader conceptual outlook of the changing social relations within a globalized world. Relevance of this paper is found in its ability to elevate such research beyond the level of simple interconnectedness. Rather, it points to an effectiveness of observing contemporary linkages in their relation to the inclinations and paths of globalization that generate diverse forms of social reactions.

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