

CURRENT BOOKS

Declaration of Interdependence

*THE LEXUS AND THE OLIVE TREE:
Understanding Globalization.*

By Thomas L. Friedman.

Farrar, Straus & Giroux. 394 pp. \$27.50

by Robert Wright

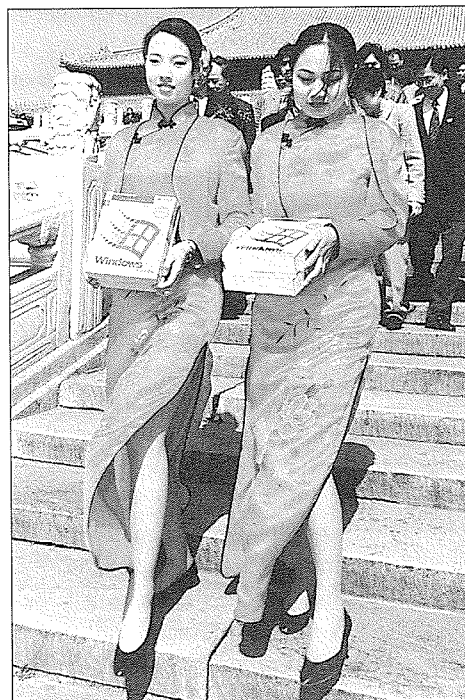
As foreign affairs columnist for the *New York Times*, Thomas Friedman has gotten a reputation as something of a cheerleader for globalization. He knows that. Early in *The Lexus and the Olive Tree*, his treatise on the global economy, he recounts the reaction his editor received after telling friends that the book was in the works: "Oh, Friedman, he loves globalization."

Friedman begs to differ. He doesn't love globalization; he just thinks it's largely a good thing and, in any event, a fact of life. "I didn't start globalization, I can't stop it—except at a huge cost to human development—and I'm not going to waste time trying." He comes not to praise globalization but to appraise it, to weigh its pros and cons, and to find ways of elevating the ratio of the former to the latter.

Some critics have complained that this book merely restates conventional wisdom, the view of globalization's upside and downside held by mainstream American internationalists. Upside: the restless flow of capital and technology forces governments that want prosperity to abandon archaic statist structures in favor of markets; to abandon backroom cronyism and corruption in favor of transparency and the rule of law; to grant economic liberty that will sooner or later entail political liberty. Downside: the same flow of capital and technology brings destabilizing currency swings, environmental degradation, cultural homogenization, and tribalistic backlash from religious, nationalist, and ethnic groups that see their interests threatened.

True, this is conventional wisdom, and it's more or less Friedman's view. But one reason it's conventional wisdom is that Friedman has been articulating it over the last few years from his prominent podium on the *Times* op-ed page. Another reason is that it makes sense. And there's nothing wrong with devoting a book to conventional wisdom that makes sense, especially when you can flesh out the wisdom with on-the-ground facts.

Friedman has lots of facts—countless colorful anecdotes from his globetrotting—and, more important, some encouraging analytical observations. In general, he notes, the Asian nations that were least



hurt by the 1997 financial crisis—Taiwan, Hong Kong, Singapore—had accountable governments and little corruption. And those that were corrupt but democratic (Thailand, South Korea) did better than those that were corrupt and undemocratic, notably Indonesia. (China survived the turmoil by other means altogether. Its non-convertible currency and closed capital markets—both of which it plans to reform in pursuit of long-run prosperity—had the short-run payoff of insulating it from global shocks.)

Also encouraging is Friedman's "Golden Arches Theory of Conflict Prevention": No two countries that both have a McDonald's have fought each other since each got its McDonald's. This, of course, is a pop version of something scholars have noted in blander terms—that prosperous nations tend not to fight each other these days, especially when they're democracies, which prosperous nations tend to be.

Friedman's pop version of this theory suffered a setback after his book went to press. Yugoslavia has golden arches, and so do the nations that chose to bomb it. Still, the non-pop version stands essentially vindicated. McDonald's notwithstanding, one could argue, the Balkans are undermodernized and underglobalized. Their checkered past—from Ottoman dominance to communism—has slowed the evolution of economic and political liberty, and has kept their various nations and ethnic groups from being woven into fine-grained economic interdependence.

If this one upside is genuine—if globalization does tend to promote peace—that would compensate for a lot of downside. Friedman frets about a Japanese girl who, while visiting California, tugged her mother's sleeve and said, "Look, Mom, they have McDonald's in this country, too." When this girl wrongly thinks of McDonald's as Japanese, "something that should be treated as different—the Big Mac—and even enjoyed because it is different, is not." Friedman calls this "unhealthy glocalization," which he defines as "when you absorb something that isn't

part of your culture, doesn't connect with anything latent in your culture, but you have so lost touch with your culture, you think it does." That may indeed be unhealthy, but not as unhealthy as having atom bombs dropped on a couple of your cities. Faux-indigenous McDonald's restaurants strike me as a small price to pay for avoiding global apocalypse. Occasionally Friedman seems to be straining to balance his cheerleading with hand wringing.

Of course, where globalization's side effects are grave and can realistically be remedied—as with headlong environmental destruction—remedies there should be. But if history is any guide, keeping modernization and traditional cultures in lasting equipoise—keeping "the Lexus and the olive tree" in "healthy balance"—will not be as practical as Friedman hopes. Cultures merge and cultures perish; that's life on this planet, and no culture is safe. America may be the world's dominant civilization, but pilgrim garb lies in the dustbin of history, and in many American cities it's now easier to get good sushi or enchiladas than good meatloaf.

That globalization abets economic inequality is a common complaint, and Friedman indulges it a bit uncritically. It is true, as he notes, that globalization can widen the income gap in developed nations, where blue-collar workers suddenly face low-wage competition from abroad. But other aspects of the problem are less straightforward. Friedman says that income inequality among nations grew between 1960 and 1995. Yes, but a major reason was the number of countries that resisted true globalization—Third World nations clinging to statist economies, living off Cold War subsidies, keeping market forces at bay, while rich nations got richer.

Similarly, Friedman cites—again, as if globalization were the culprit—the economic gap in Egypt between a modernized elite and the country's teeming masses. But the problem in Egypt is that the teeming masses by and large haven't been plugged into the global economy. As Friedman himself notes but doesn't adequately emphasize, the big gap in more-

globalized developing nations (such as Thailand) is between the traditional rural poor on the one hand and, on the other, a more affluent urban sector consisting of entrepreneurs and blue-collar workers who benefit from global capital.

For the most part, Friedman's fretting is well targeted. When cultural homogenization stirs fundamentalist backlash, fomenting civil war or terrorism, that is not merely an aesthetic problem. What Friedman calls "the super-empowered angry man"—the fusion of burning grievance and explosive high technology—is indeed a looming peril. So is the environmental damage wrought by industrialization. (Here, alas, Thailand is again a good example.)

Sometimes solutions will arise, as the problems themselves do, beyond the bounds of any one nation. Friedman recounts how environmental groups rallied against an ill-conceived Brazilian dredging project that had been driven by the global demand for local soybeans. South American environmentalists hooked up with their North American counterparts and persuaded the Inter-American Development Bank to pressure South American politicians to rethink the project. Such supranational assaults on globalization's excesses may be the wave of the future, and, though Friedman arguably underplays this trend, he has a good name for it: learning "to use globalization against itself."

The value of this book's vantage point—the sensible center—is nicely highlighted by the op-ed page Friedman calls home. To one side is columnist Bob Herbert, who reflexively recycles horror stories about clothing factories in Southeast Asia, never pausing to ask: if those factories are really a step back into the dark ages, how come they're besieged with job applicants? How come the workers who want to shut them down are American, not Asian?

To the other side is A. M. Rosenthal. As Herbert fights oppressive capitalism, Rosenthal fights the remnants of oppressive communism, notably China's government. Rosenthal's concerns, like Herbert's, are often valid, but, also like Herbert's, self-defeating when pursued single-mindedly. If American policymakers adopted Rosenthal's basic platform—demanding full human rights for everyone on the planet by this evening—American indignation would impede the commercial development that has manifestly expanded personal freedom in China.

Between Herbert and Rosenthal sits Friedman, the only *Times* columnist who writes regularly about world affairs with sobriety and sophistication. If this book becomes a basic guide to globalization for American opinion makers, as it well may, that will be a good thing.

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Of Monocles and Myopia

THE WORLD THROUGH A MONOCLE:
The New Yorker at Midcentury.

By Mary F. Corey.

Harvard Univ. Press. 251 pp. \$25.95

by Amy E. Schwartz

Writing a book about a magazine is a complicated feat. How to cull, from miles of consciously ephemeral

material, the nuggets that reveal something enduring about a decades-long publishing endeavor and its era? How to