Article Title: Understanding Globalization

We hear a lot about “globalization” these days. Most of the discussion centers on the internet and the global economy, which is often narrowly (and vaguely) understood as the financial operations of multi-national corporations. Friedman, however, describes globalization more broadly as an international system which has replaced the cold war (p. 7). He says it is an integration of markets, nation-states and technologies “...in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before, and in a way that is enabling the world to reach into individuals, corporations and nation-states farther, faster, deeper, cheaper than ever before” (p. 9).

“This process of globalization is also producing a powerful backlash from those brutalized or left behind by this new system” (p. 9) In some countries, globalization with “Americanization” of local cultures and is therefore resented (pp. 340-341).

Friedman traces the development of the current system of globalization from the fall of Communism in Europe in 1989. He discusses characteristics of the system: democratization of technology and information, transparency, free market capitalism, and loss of control by national authorities over their populations.

He describes the “electronic herd” of people and corporations who are buying and selling stocks, bonds and currencies. They move to the best market and, therefore, support national economies that are open, flexible and stable. He presents case studies of how globalization has meant “revolution from beyond” for some countries how it has benefitted some countries and penalized others who have not adopted the system fast enough.

Perhaps the greatest weakness of this book is its emphasis on winners and losers. Friedman feels that the U.S. is well positioned to be a “shaper and adapter” thus benefitting from globalization. He is not too sensitive about countries that lack the technological and educational advantages of the U.S. He feels small countries can become winners in globalization if their leaders make the right decisions. Nevertheless, he still seems to assume some variation of the geopolitical power game that was typical of the cold war. Alternatives to that scenario are not discussed in any depth. Nor does he discuss many negative implications of globalization like environmental problems, health issues, religious fundamentalism, loss of languages, food safety, and loss of agricultural diversity.

Still The Lexus and the Olive Tree will help us understand our world and the phenomenon we call globalization. It will help us understand the need for local safety nets (p. 449) and for an “activist and generous American foreign policy” (p. 468). It will help us think about the future and the need to balance the Lexus (technology, global markets, global communication, modernization and prosperity) with the olive tree (traditions, values, family, religion, local history and local institutions) (pp. 29-43).

The book also raises management issues which should be interesting to agricultural and extension educators. We, like individuals in successful financial institutions, need to react to globalization by being international, flexible, mobile, transparent and good at collaboration. We need to encourage our universities and organizations to globalize and to have an effective “brand” identity that describes what we do and how we are unique. There is much food for thought.

It was originally published in 1999 by Farrar, Straus Giroux, New York.

Reviewed by:

Arlen Etling, Director
Global International Programs,
University of Nebraska Institute of Agriculture
and Natural Resources
10 Agriculture Hall
Lincoln, NE 68583-0706
Phone: (402) 472-2758
aetling1@unl.edu