The Lexus and the Olive Tree by Thomas L. Friedman

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Friedman, the well-known columnist for the *New York Times*, presents his insight into the new world order of globalization. His collection of anecdotes and interviews with a myriad of public and private sector moguls presents a fascinating insight into the global economic revolution that is replacing the Cold War as the modern world's dominant political system. In his view, the world is only ten years old: the fall of the Iron Curtain signaled a rebirth in international affairs.

Friedman's main thesis concerns the balance between the modernized world (the Lexus) and those enclaves where tradition still outweighs wealth (the olive tree). In his exploration of the global economy, he finds that many nations eager to join the new society are trying to preserve ancient cultures while becoming another cog in the growing global economic machine. The rewards of the new system are great, but the risks are also substantial; each nation must choose carefully how it will pursue its entrance into the new economic order.

In his book, Friedman details the changes that have created this new globalization. Electronic data transmission and countless other high-tech innovations have fashioned a society where everything happens in high gear. Friedman asserts that the fast-paced economic world is only going to get faster, those markets and nations that cannot keep up will be left behind. Contributing to the high-speed nature of the world these days is the "Electronic Herd," a nameless group of investors and speculators that follows the wealth around the planet, making and breaking entire nations overnight. The Herd will reward the nations who play by the rules of the new game; those who refuse to play the game will be punished by a mesmerizing flurry of capital outflow—made easily accessible to the average Joe via the Internet. The author uses the East Asian economic crisis as one example of the power of this Electronic Herd, where a hot investment opportunity turned bad and the entire world felt the implications of the Herd's passage.

Another aspect of this new economic reality is Friedman's "Golden Arches Theory of Conflict Prevention." He notes that no two countries with McDonald's franchises have ever gone to war against each other. His supposition is that the increasing interconnectedness of the global marketplace makes war an increasingly dangerous proposition, as much for the provocateur as for the victim. In a world so anxious to build wealth, traditional power contexts are becoming meaningless, dissolved in the rush towards economic interaction.

What makes this book fascinating are the interviews with real people who have witnessed the incredible changes in the world's economy firsthand. Investment bankers, rainforest preservationists, reporters, and government bureaucrats all make it into the book with their heartfelt comments about globalization. Each has his or
her own story to tell, and Friedman’s experience as a reporter ties the stories together in a very effective and readable style.

The book disappoints, however, in its lack of attention to details. While the anecdotes are catching and witty, they are not complemented at all by statistical data related to these dramatic changes. The personal interviews are excellent examples of how the new world economy has changed, but the personal side of globalization cannot cover the full extent of those transformations. Even more troubling are the imaginary interviews and conversations between world leaders (whom Friedman may or may not have met while writing his book). And yet the imaginary conversations are placed alongside real interviews and given the same credence as real people and their conversations.

Nevertheless, the book is very entertaining, at times even provocative. It is memorable in its presentation and style. Yet it fails as an end-all description of the new global economy. Friedman’s forte is reporting, not analysis. Although several of his points are very insightful, there is more glamour than substance. The book is an important introduction to globalization, but it must remain only an introduction.

—A. SCOTT FLEMING