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# The Lexus, the Olive Tree, and the Controversial Global “Democracy”

CHRISTINA A. URBANSKI\*

## INTRODUCTION

It is undisputed that the end of the Cold War brought with it a series of changes that have been labeled “globalization.” To survive in this new world order, States are asked to redefine the purpose of their existence and to interact with international organizations and other States in a manner that would have been unthinkable in a world divided by the Iron Curtain. This premise, of course, is passé to those who have previously explored the character of this globalized world and have begun the process of identifying and making sense of what is found. What remains new, however, is the way this world is categorized, the boundaries that the globalized world provides and encourages, and the rules that States must abide by to keep pace with this fast-moving, dynamic world.

Thomas Friedman, in his book *The Lexus and the Olive Tree*, has defined the globalized world as one in which “free-market capitalism” reigns; where the progressive pace of technology pushes States to adopt democratic systems that promote the opening of financial markets on a massive scale.<sup>1</sup> Friedman asserts that only one kind of State will successfully emerge from within a globalized world: a State whose political and economic structure is uniquely adapted to the globalized economic system—one that is, in fact, modeled entirely on the system of government and the economic regime of the United States.<sup>2</sup>

However, while Thomas Friedman’s conceptualization of the globalized world and the innovations that have fostered it are comprehensive, in the sense that they thoroughly discuss the political and economic forces underlying this

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1. THOMAS L. FRIEDMAN, *THE LEXUS AND THE OLIVE TREE* (1999).  
2. *Id.* at 298-303 (describing the perfect global competitor).

phenomenon, he fails to seriously discuss the obstacles developing States will face in trying to tie into this global economy. Furthermore, his pronouncement that a free-market capitalist economy will be the most successful form of economic system in the global era is unremarkable. But for his assertion that the driving force behind globalization includes, primarily, private investment in international corporations and State bond markets, his analysis merely reiterates that of Francis Fukuyama and gives fatuous titles to theories that have already been declared in other literature discussing the era of globalization.<sup>3</sup>

As Friedman is not the first person to speculate about what kind of political, economic, legal, social, and financial systems a State will need to adopt for it to become competitive in the era of globalization, his theories will be compared with those articulated by authors who do not equate capitalism with democracy, but rather promote creative, evolving democratic systems of government as preferable to singular systems cloned from the existing capitalist democracy in the United States.<sup>4</sup> This Essay will compare and contrast these options, paying particular attention to the idea that the “democratic” system proposed by Friedman is only “democratic” in the sense that it is based on the *capitalist* economic system that has flourished alongside the democratic government of the United States.

Part I of this Essay will discuss and delineate the most salient aspects of *The Lexus and the Olive Tree*, which, primarily, adds a new vocabulary to the discussion of globalization and provides a unique perspective on the forces that are coming together to shape the global era. This Part will also consider the elements comprising Friedman’s conception of a capitalist democracy and discuss the various mechanisms States will need to put in place to become, what Friedman considers, successful competitors in the era of globalization. Part II of this Essay will illustrate that a State does not necessarily have to adopt both capitalist and democratic ideals to survive in a globalized world, even if the combination of these systems is considered optimal. One section of Part II is devoted to the discussion of democracy within individual States;

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3. See FRANCIS FUKUYAMA, *THE END OF HISTORY AND THE LAST MAN* (1992). These other theories will be noted and discussed at various points throughout this Essay.

4. As Thomas Frank notes, “[m]uch of Friedman’s millennial enthusiasm arises from the mundane faith that capitalism is functionally identical to democracy. . . . His definition of democracy is a simple matter of ‘one dollar, one vote,’ a system in which the market and corporate interests rightly and naturally get to dictate to everyone else.” Thomas Frank, *It’s Globalicious! Two servings, half-baked, of the new economy*, HARPER’S, Oct. 1999, at 72, 72-73.

the other section focuses on transnational democracy and its effects on the sovereignty of individual States.

This Essay is entitled the controversial global "democracy" because I believe that the future of globalization mandates the adoption of not one particular version of capitalist democracy, but a variety of governmental systems whose fundamental commonality lies in their use of free and open elections, or government officials elected by "the people." Beyond this requirement, "democratic" States will actually employ an evolutionary form of democracy (from that implemented in the United States) that conforms to their own social heritage and political preferences. "Democracy" in the era of globalization will therefore include all governmental systems that incorporate both a free and open electoral system and a capitalist economic system tied into the global economy; but beyond these fundamental requirements will reside a multitude of diverse political systems and social structures.

Under this conception of democracy, *all* States will continuously improve and refine their political, economic, legal, social, and financial systems. The need to continuously improve these underlying systems is not limited to the periphery or developing States, but expands to the current world leaders of the global market, including the United States. In this respect, my model of democracy challenges all States to learn from and adjust to each other in the spirit of developing a sustainable global market. This vision of democracy in the global era is in stark contrast to the conception of globalization proposed in *The Lexus and the Olive Tree*, in which Friedman fashions a globalized world connected by a free-market economic system and based on the adoption of a distinctly American form of democracy by all connected States. To ascertain the distinction between these two views, the next section discusses Friedman's vision of democracy in the era of globalization.

#### I. FRIEDMAN'S GLOBALIZATION

Thomas Friedman's primary focus in *The Lexus and the Olive Tree* is on the economic and political forces that drive States toward participation in a globalized economy, with a central topic being "how the age-old quests for material betterment and for individual and communal identity" are attained in the era of globalization.<sup>5</sup> His view of globalization can be identified as "hyperglobalist" in that he believes "globalization defines a new era in which

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5. FRIEDMAN, *supra* note 1, at 29.

peoples everywhere are increasingly subject to the disciplines of the global marketplace.<sup>6</sup> He asserts that *everyone*—either directly or indirectly—is feeling the effects of globalization.<sup>7</sup> Thus, the main challenge for States and individuals in the global era is “to find a healthy balance between preserving a sense of identity, home and community and doing what it takes to survive within the globalization system.”<sup>8</sup> This endeavor is embodied by the symbols of the Lexus and the olive tree. The olive tree represents “everything that roots us, anchors us, identifies us and locates us in this world—whether it be belonging to a family, a community, a tribe, a nation, a religion, or, most of all, a place called home.”<sup>9</sup> The Lexus (as in the automobile) characterizes the “drive for sustenance, improvement, prosperity and modernization.”<sup>10</sup> These two forces must be reconciled for a State to successfully integrate into the global economy and, at the same time, preserve a sense of uniqueness in a world that pressures States and individuals to become increasingly similar.

Regardless of how valid this initial goal may be, however, Friedman largely ignores the manner in which his theory of globalization will be realistically implemented by States with social and legal systems not established on the principles underlying those of the United States. He also fails to reconcile the competing forces embodying the symbols of the Lexus and the olive tree and neglects to illuminate a feasible way of satisfying both fundamental requirements.<sup>11</sup> However, he does recognize and discuss some of the disadvantages of globalization. For instance, it may be too difficult for some States to develop the internal political and economic policies necessary to take advantage of the benefits of globalization.<sup>12</sup> States may also become so connected that problems traditionally considered small and isolated may become magnified.<sup>13</sup> Similarly, processes within States may become so

6. DAVID HELD & ANTHONY MCGREW, *GLOBAL TRANSFORMATIONS: POLITICS, ECONOMICS, AND CULTURE* at 2 (David Goldblatt & Jonathan Perraton, Polity Press 1999). For a discussion and analysis of the other general schools of thought regarding globalization—the sceptics and the transformationalists—see the remainder of the Introduction to this book.

7. FRIEDMAN, *supra* note 1, at 59.

8. *Id.* at 35.

9. *Id.* at 27. Friedman’s depiction of the elements that influence human progress differs somewhat from that expounded by Fukuyama, who depicts the challenge of progress as one balancing economic prosperity with the desire for recognition. FUKUYAMA, *supra* note 3, at xvi.

10. FRIEDMAN, *supra* note 1, at 27.

11. Speaking of the reconciliation of the symbols of the Lexus and the olive tree, Richard Elder notes that Friedman’s “book, successful in so much, never manages fully to confront the two, let alone reconcile them, though it would like to.” Richard Elder, *The Global Village is Here. Resist at Your Peril*, N.Y. TIMES, Apr. 26, 1999, at E8.

12. FRIEDMAN *supra* note 1, at 333.

13. *Id.* at 340, 321 (noting examples such as the Y2K problem and global terrorism).

transparent that individuals and organizations feel constantly intruded upon.<sup>14</sup> Finally, globalization may end up being too "dehumanizing" as more communication occurs between people and machines, and people through machines, instead of face-to-face.<sup>15</sup>

But while Friedman raises the downside of globalization, his book focuses predominately on the benefits of integrating into the global economy, what globalization means for States and individuals, and what drives States to participate in a globalized economy. Much of Friedman's discussion is comparatively similar to the rationale behind Fukuyama's projection of the "end of history." Fukuyama advances the idea that all States

undergoing economic modernization must increasingly resemble one another: they must unify nationally on the basis of a centralized state, urbanize, replace traditional forms of social organization like tribe, sect, and family with economically rational ones based on function and efficiency, and provide for the universal education of their citizens. Such societies have become increasingly linked with one another through global markets and the spread of a universal consumer culture.<sup>16</sup>

Friedman's view of a globalized world presupposes this same collection of States based on the free-market capitalist economic system of the United States. By focusing on the importance of supporting this reproduction of the political and economic systems of the United States, Friedman places too much emphasis on attaining the prosperity symbolized by the Lexus—thereby diminishing the importance of preserving each individual State's olive trees—as States strive for global acceptance and integration. The following section recounts Friedman's globalization and discusses his basis for believing that globalization is the new world order that has supplanted the former Cold War system of international relations.

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14. *Id.* at 341-42.

15. *Id.* at 345-46.

16. FUKUYAMA, *supra* note 3, at xiv-xv.

*A. Understanding the Post-Cold War World*

According to Friedman, money is the motivating factor driving the era of globalization.<sup>17</sup> Developing States are in special need of money to build their infrastructure so that they can provide their people with jobs and raise the standard of living within their borders. During the Cold War, the United States and the U.S.S.R. were willing to economically support developing States so that each superpower could build allegiance and continue the idealistic war between communist and democratic principles. Neither superpower cared nor criticized whether a State had corrupt officials or provided protections for private property because the important factor was which “side” they were on.<sup>18</sup> However, investors are now financing these States. Investors are willing to subsidize a developing State only in the hope that the State’s success in the global economy will also bring them a financial windfall. These investors will not finance a State that tolerates corruption or maintains weak protections for private property.<sup>19</sup> Thus, the most important players in the globalized world are, according to Friedman, the private and institutional investors who buy and sell the stocks and bonds issued by corporations and States.<sup>20</sup> Friedman has named these investors the “Electronic Herd,” giving them the key roles of instigating States to open their markets and judging States’ performance by extending or withdrawing investment.<sup>21</sup>

Equally as important for success in the globalized world is the approval of the various rating companies responsible for supplying investors with information relating to the risk or security of a particular investment, such as Moody’s Investors Service and Standard & Poor’s.<sup>22</sup> Without a high credit rating from these institutions, States may be unable to acquire financing at optimal interest rates and under desirable terms. Further, without the necessary financial support, many States are unable to develop the technology that will link them to the global market. However, to gain favorable credit ratings by these institutions and approval from the Electronic Herd, States must often demonstrate that they are moving toward a democratic governmental

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17. See generally FRIEDMAN, *supra* note 1, at 93-119.

18. *Id.* at 7.

19. *Id.* at 94-95.

20. *Id.* at 94.

21. *Id.*

22. *Id.* at 32, 91.

structure and a capitalist economy, for these measures provide comfort to the Electronic Herd and insure that its investment will be protected.<sup>23</sup>

### *B. Friedman's "Democracy"*

Democracy is generally presumed to encompass "a method for creating binding collective decisions that are responsive to the wishes and values of a political society."<sup>24</sup> However, what Friedman labels "democracy" actually entails a methodology for generating connections to the global economy based on capitalist free-market economic principles. This section will discuss Friedman's conceptualization of the forces that have fostered the era of globalization, elaborate on the distinction between democratic and capitalist doctrines, and discuss the role of States that choose to either reject or ignore the importance of integrating into the global economy.

#### *1. The Democratizations of Technology, Finance, and Information*

The changes that were occurring in the fields of technology, finance, and information by the late 1980s had a significant impact on the fall of the Berlin Wall, as well as on other, less symbolic changes that signified the end of the Cold War.<sup>25</sup> Advances in technology were transforming the way we communicated.<sup>26</sup> Innovations in "computerization, telecommunications, miniaturization, compression technology and digitization" were making it easier for businesses and individuals to produce goods, exchange news, and connect with one another.<sup>27</sup> The "democratization of technology," according to Friedman, enabled the world to move faster, smarter, and cheaper than ever before. Along with the democratization of technology came the

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23. *Id.*

24. Donald E. Whistler et al., *Conclusion: Devising Democracy*, in BUILDING DEMOCRACY IN ONE-PARTY SYSTEMS: THEORETICAL PROBLEMS AND CROSS-NATION EXPERIENCES 223, 223 (Gary D. Wekkin et al. eds., 1993) [hereinafter BUILDING DEMOCRACY].

25. FRIEDMAN, *supra* note 1, at 40. David Andrews also identifies three "causes of the increase in the degree of capital mobility" and thus, economic integration. These include: (1) "advances in communications and information technologies," (2) "innovation by financial firms," and (3) the "liberalization of domestic capital markets." David M. Andrews, *Capital Mobility and State Autonomy: Toward a Structural Theory of International Monetary Relations*, 38 INT'L STUD. Q. 193, 198 (1994).

26. See PETER DICKEN, *GLOBAL SHIFT: THE INTERNATIONALIZATION OF ECONOMIC ACTIVITY*, 97-119 (2d ed. 1992) (discussing how technological change affects internationalization and the globalization of economic activity).

27. FRIEDMAN, *supra* note 1, at 42.



“democratization of information.” With televisions, satellites, and video equipment, governments could no longer “totally isolate their people from information about what life was like beyond their borders” in different areas of the world.<sup>28</sup> In a world where everyone knows what it is like to live in the United States, or the Hollywood equivalent thereof, governments “not only have to prove that their alternative [to a free-market economy and democratic system of government] can still produce rising standards of living but . . . they have to do it in an environment in which we all increasingly know how everyone else lives.”<sup>29</sup>

Add to these changes in technology and the dissemination of information an environment where it is progressively easier to lend money to foreign States and institutions—an environment where individuals can easily access financial markets and transfer their money to different accounts and investments—and you have the “democratization of finance.” The democratization of finance also included the opening of many new States to investment from outside their borders, so that countries became less isolated and more financially connected to foreign individuals and other States. Various forces and institutions have influenced this integration, including the Electronic Herd, which aided the rapid pace of the democratization of finance by investing in developing States and multinational corporations all over the world.<sup>30</sup>

The dispersment of technology, information, and financial connections on a global scale led many States to adopt the outward manifestations of democracy (such as free and open elections) so that they could conform to the expectations of investors and their newly-informed public. Along with these outward manifestations of democracy, States also began to open their markets to compete in the global economy and attract investment.

## 2. *Friedman’s Conception of a “Democratic Capitalist” State*

The ideas Friedman expounds in *The Lexus and the Olive Tree* are labeled “democratic,” but are instead mainly “capitalist” in that they focus on building States who are able to prosper in an international atmosphere where

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28. *Id.* at 54-55.

29. *Id.* at 56 (original emphasis omitted).

30. Other institutions that have promoted the international economic order include the General Agreement on Tariffs and Trade, the World Bank, the International Monetary Fund, and the Organization for Economic Cooperation and Development. See Jost Delbrück, *Globalization of Law, Politics, and Markets—Implications for Domestic Law—A European Perspective* 1 IND.J. GLOBAL LEGAL STUD. 9, 16-17 (1993).

free markets reign. Friedman's "democratic capitalism" is built upon transparency, standardized accounting procedures, lack of corruption, freedom of the press, and a stable bond market.<sup>31</sup> These "building blocks" are chosen not for their *democratic* principles, but because they help investors gain reliable information about States and their financial structures; to the extent that they allow States to measure themselves against one another, the application of these building blocks ensures that States will continue to compete for investment dollars. This competition leads to further safeguards for *investors*, but it does not support the idea that the internal political structure of a State must necessarily become "democratic" to gain the trust of the investment community.

In reality, the measures Friedman promulgates as necessary for States to implement in order to "plug in" to the global market are not based on *democratic* principles at all; they are based, rather, on what John Dryzek calls an international economic *regime*.<sup>32</sup> "Regimes contain 'principles, norms, and rules' together with 'decision-making procedures.'"<sup>33</sup> There is no requirement that these rules and procedures be democratic in any sense, even though they do have the ability to "severely constrain the options of the states operating within them."<sup>34</sup> Friedman's discussion of the "Golden Straitjacket" emphasizes this notion.<sup>35</sup>

The Golden Straitjacket is declared the "defining political-economic garment of this globalization era"<sup>36</sup> and like a regime, when "your country puts on the Golden Straitjacket, two things tend to happen: your economy grows and your politics shrinks."<sup>37</sup> This idea has also been termed the "capital mobility hypothesis" by economists who argue that "when capital is highly mobile across international borders, the sustainable macroeconomic policy

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31. FRIEDMAN, *supra* note 1, at 141-63.

32. JOHN S. DRYZEK, *DEMOCRACY IN CAPITALIST TIMES: IDEALS, LIMITS, AND STRUGGLES* 79 (1996).

33. *Id.* (quoting Stephen D. Krasner, *Structural Causes and Regime Consequences: Regimes as Intervening Variables*, in *INTERNATIONAL REGIMES* 1, 1 (Stephen D. Krasner ed., 1983)).

34. *Id.*

35. This theory has previously been discussed in David Held, *Democracy, the Nation-State and the Global System*, in *POLITICAL THEORY TODAY* 197, 207 (1991) (asserting that "growing global interconnectedness can lead to a decline or 'crisis' of state autonomy"). The conception of a "Golden Straitjacket" is also similar to the "politics generated by advocates of a strong, laissez-faire state" as described by Alfred C. Aman, Jr. in *The Globalizing State: A Future-Oriented Perspective on the Public/Private Distinction, Federalism, and Democracy*, 31 *VAND. J. OF TRANS'L. L.* 769, 803-05 (1998).

36. FRIEDMAN, *supra* note 1, at 86.

37. *Id.* at 87.

options available to states are systematically circumscribed.”<sup>38</sup> For a State to grow and prosper, Friedman argues that it must both put on this Golden Straitjacket and “plug in” to the Electronic Herd. However, as with the so-called building blocks of “democracy,” though these measures promote security for capital investment, they do not address the rights and freedoms individually associated with democracy.<sup>39</sup> For a State to fully put on the Golden Straitjacket, it must begin

making the private sector the primary engine of its economic growth, maintaining a low rate of inflation and price stability, shrinking the size of its state bureaucracy, maintaining as close to a balanced budget as possible, if not a surplus, eliminating and lowering tariffs on imported goods, removing restrictions on foreign investment, getting rid of quotas and domestic monopolies, increasing exports, privatizing state-owned industries and utilities, deregulating capital markets, making its currency convertible, opening its industries, stock, and bond markets to direct foreign ownership and investment, deregulating its economy to promote as much domestic competition as possible, eliminating government corruption, subsidies and kickbacks as much as possible, opening its banking and telecommunications systems to private ownership and competition, and allowing its citizens to choose from an array of competing pension options and foreign-run pension and mutual funds.<sup>40</sup>

While Friedman acknowledges that some States will refuse to embrace these measures even in a minimal way, he proclaims that very soon States will have no choice but to put on this Straitjacket.<sup>41</sup> With the rapid pace of the technological developments fueling the free-market global economy, those States who integrate all of these ideals into their political-economic system will be able to take full advantage of the connections and support of the Electronic Herd, while those who fail to implement them will become more isolated from the world economy, and therefore further detached from the decision-making

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38. Andrews, *supra* note 25, at 193.

39. FRIEDMAN, *supra* note 1, at 91.

40. *Id.* at 86-87.

41. *Id.* at 90.

process of the international polity.<sup>42</sup> "The periphery is in even deeper trouble in regard to democratization because of the constraints inherent in life at the edge of the transnational political economy and the imperatives that the international trade regime imposes on peripheral states and societies."<sup>43</sup>

To the extent that States *are* increasingly adopting the elements of the Golden Straitjacket or other truly democratic principles into their political systems, Friedman's assertion that these developments can be attributed to pressure by the Electronic Herd alone is unfounded. Since the end of the Cold War, numerous organizations and international institutions have promulgated the benefits of democratic government to protect human rights and the basic freedoms that are associated with democracy (as opposed to the constraints placed on individual freedom by communist and authoritarian governments).<sup>44</sup> Even the increased integration of international economic forces cannot be attributed solely to private investors, banks, and the International Monetary Fund (IMF), as Friedman suggests. For decades, international political organizations have discussed the need for economic integration to promote world peace. In a 1934 publication of *The World Tomorrow*, an article addressing the failure of the League of Nations stated:

A League that meant to remove the causes of war, instead of merely stopping wars by police action, would have to legislate and plan. It would soon be conferring the immense benefit of economic order on all of us. No one could afford to walk out of such a League. The power to withdraw economic benefits would serve it as a means of discipline. It would rarely have to use force.<sup>45</sup>

Likewise, the benefits of economic integration have also been proclaimed for some time. Friedman's "Golden Arches Theory of Conflict Prevention,"<sup>46</sup> which states that increased economic integration raises the cost of warfare for connected countries to the point where traditional warfare would devastate

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42. *Id.* at 91.

43. DRYZEK, *supra* note 32, at 91.

44. "[T]he increasing integration of the world's capital markets is a consequence of a variety of developments . . ." Andrews, *supra* note 25, at 198.

45. H. N. Brailsford, *An International Police?*, 17 *WORLD TOMORROW* 32, 33 (1934).

46. This theory became named after an investigation by Friedman led to the conclusion that "[n]o two countries that both had McDonald's had fought a war against each other since each got its McDonald's." FRIEDMAN, *supra* note 1, at 195.

both the winner and the loser of the battle, was essentially asserted by Immanuel Kant in the late 1700s. Kant maintained that, among other things, extensive international commerce would help States maintain a “perpetual peace.”<sup>47</sup> Since then, the idea has only been supported. Michael Doyle, who studied the occurrence of international wars since 1817, has also found that “liberal states, while they have engaged in wars with non-liberal states, have remained at peace with one another.”<sup>48</sup>

States who adopt capitalist democratic principles and continue to integrate economically will improve their connections with each other, making decisions that positively affect the connected international global community. At the same time, however, the gap between States that adopt capitalist democratic principles and those that do not will continue to widen. States that do not put on the Golden Straitjacket will eventually become alienated unless the global economy can remain flexible enough to adapt to a variety of economic regimes in the world market. Without this flexibility, States not assimilating Friedman’s capitalist democratic principles will be denied the benefits of the global economic system and their ability to attract foreign investment will diminish, leaving them politically weak, financially unstable, and technologically antiquated.

### C. *The Outsiders*

Friedman attempts to acknowledge that not every State will conform to a free-market economic system and democracy-based system of government. Of those States that do “plug in,” there will be individuals and groups within them who will be against globalization. These individuals and groups will reject

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47. See CHARLES COVELL, *KANT AND THE LAW OF PEACE: A STUDY IN THE PHILOSOPHY OF INTERNATIONAL LAW AND INTERNATIONAL RELATIONS* 160-61 (1998), where the author states:

[I]t must be emphasized that it is equally evident that Kant regarded cosmopolitan law as a law of commerce, and that he did so because he assumed that the establishing of lasting international peace required not only the entering by men into the civil state and the acceptance by nations and states of a law defining their rights and duties, but also the acceptance by men and states of a comprehensive legal regime providing for the proper regulation of their mutual commerce in the international sphere.

*Id.* See also IMMANUEL KANT, *Perpetual Peace: A Philosophical Sketch*, in *KANT: POLITICAL WRITINGS* 93-130 (Hans Reiss ed. & H.B. Nisbet trans., Cambridge Univ. Press 1991) (1795); Susan Marks, *The End of History? Reflections on Some International Legal Thesis*, 3 *EJIL* 449, 464 (1997).

48. Marks, *supra* note 47, at 465 (discussing Michael W. Doyle, *Kant, Liberal Legacies and Foreign Affairs* (pts. 1 & 2), 12 *PHIL. & PUB. AFF.* 205, 323 (1983)).

the requirements of the Golden Straitjacket, and will continually attempt to influence their governments to return to the way things were.<sup>49</sup> However, Friedman fails to move beyond these individuals to conceptualize entire States based on fundamentalist principals and the ramifications for the rest of the world regarding the treatment of these States. The only concerns he articulates with regard to these States include the increased chance that they will engage in military conflict (and as they become increasingly disconnected from the rest of the world they will have less to lose by doing so) and the fact that they will hold little power in international relations due to their lack of economic integration.<sup>50</sup>

In addition, some States may be politically or economically unable to keep up with the pace of globalization and thus will be unable to connect to the global economy in the near future. Other States may be culturally unable to adopt the democratic principles and free-market economic structure that will enable them to "plug in" to the international system. For these States, Friedman points out, it will take even longer for the benefits of globalization to reach individual citizens because "[i]t is a lot easier to develop a new-model Lexus than it is to evolve a new variety of olive trees, which can take generations."<sup>51</sup>

In the meantime, States who are culturally, politically, or economically unable to integrate full-scale democratic political and capitalist economic systems into their governmental and economic structures will be looking for alternatives other than democratic capitalism that will both allow them to benefit somewhat from global economic integration and secure the preservation of their cultural, social, and political roots and traditions. For these States, the era of globalization means adapting only the *essential* components of these systems and modifying their existing structures as little as possible. In this vein, Part II of this Essay discusses the future of "democracy" and why it will have to expand and evolve to accommodate the various governmental systems that will emerge to bolster capitalist economic activity.

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49. FRIEDMAN, *supra* note 1, at 267-283.

50. *Id.* at 366.

51. *Id.* at 333.

## II. A CAPITALIST ECONOMIC SYSTEM DOES NOT NECESSITATE A DEMOCRATIC POLITICAL STRUCTURE

Capitalism can be defined as an “economic system in which all or most of the means of production and distribution . . . [are] operated for profit, originally under fully competitive conditions.”<sup>52</sup> While a capitalist economy is not static—it “must either grow or decay into economic slump”—its underlying premise in the present day remains unmodified from the original.<sup>53</sup> However, democracy by its very nature is active, and is capable of constant change and expansion.<sup>54</sup> “Democracy is a *political* concept, concerning the collectively binding decisions about the rules and policies of a group, association or society.”<sup>55</sup> To preserve cultural identity and maintain diversity in the global era, democracy must be thought to encompass all types of governmental systems that are based on “a general concept or ideal of self-rule on a footing of equality among citizens, rather than [merely] to particular conceptions of democratic politics and their institutional manifestations.”<sup>56</sup> Even the democratic system in the United States cannot be labeled a pure democracy; rather, it is an evolution of a governmental system based on the democratic ideal. As Susan Marks notes: “a great variety of practices and institutions is consistent with liberal democracy, but little attention is drawn to the diversity of the values, ideas and principles that might animate those practices and institutions.”<sup>57</sup>

As discussed in Part I, Friedman’s democracy is more accurately labeled a democratic capitalism because he, unlike other proponents of democracy, does not focus on individual rights and representation in decision-making processes when describing the building blocks of his “democratic” system. Instead, he focuses primarily on the capitalist principles that are supported by

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52. WEBSTER’S NEW WORLD COLLEGE DICTIONARY 207 (3d ed. 1996).

53. DRYZEK, *supra* note 32, at 4-6.

54. *Id.*

55. David Beetham, *Key Principles and Indices for a Democratic Audit*, in *DEFINING AND MEASURING DEMOCRACY* 28 (David Beetham ed., 1994).

56. Marks, *supra* note 47, at 450.

57. *Id.* at 470; Marks continues this assertion in her analysis of Fukuyama’s book *THE END OF HISTORY AND THE LAST MAN*, where she writes:

One striking feature of Fukuyama’s argument is that it largely proceeds as if there is, and can be, only one liberalism, one democracy and one liberal democracy. . . . Fukuyama fails to consider the diversity of values and beliefs that contributes to producing divergent understandings of the meaning of liberalism and democracy, and of their interrelation.

*Id.* at 456.

a democratic political system.<sup>58</sup> However, while the combination of a capitalist economic system and democratic government may be the most viable option in the global era (and some argue the only remaining option for developing States), there are still examples of developed States who have maintained a nondemocratic governmental system and thrived in a free-market global economy, including Singapore and Chile.<sup>59</sup> In fact, Dryzek argues that

market capitalism does not determine a particular kind of political structure beyond a state to carry out the essential functions of enforcing contracts, securing private property rights, and issuing and controlling money, without which markets cannot easily function. Authoritarian political systems, therefore, can and do exist in a capitalist economic context.<sup>60</sup>

Singapore, a State that maintains an authoritarian political system coupled with liberal economic policies, is the eleventh largest trading partner of the United States, and has only a population of roughly three million.<sup>61</sup> Similarly, in Chile, "economic success stands in the shadow of seventeen years of an oppressive authoritarian government that rose from the overthrow of the first democratically elected Marxist government."<sup>62</sup>

These States have found ways to nourish their capitalist economic systems while maintaining nondemocratic political systems, primarily because of the predilection of international lending institutions (such as the World Bank and

58. The Inter-American Commission on Human Rights identifies three elements which, in addition to the periodic recall of representatives, are commonly highlighted in international legal accounts of democracy's entailments: human rights, especially freedoms of expression, association and assembly, but also the whole range of other civil rights and freedoms; the rule of law, understood to refer not just to a state in which public authorities are obliged to act within the law, but also to a state in which citizens' rights are legally underwritten (so that, for instance, legal remedies for abuse of rights are available); and the separation of public powers, involving above all an independent judiciary."

James Crawford & Susan Marks, *The Global Democracy Deficit*, in RE-IMAGINING POLITICAL COMMUNITY 81 (Daniele Archibugi et al. eds., 1998).

59. Rafael X. Zahralddin-Aravena, *Chile and Singapore: The Individual and the Collective, a Comparison*, 12 EMORY INT'L L. REV. 739-740 (1998).

60. DRYZEK, *supra* note 32, at 24 ("[P]olitical authoritarianism and capitalism has flourished in southern Europe, East Asia, and Latin America . . .").

61. Zahralddin-Aravena, *supra* note 59, at 767-68.

62. *Id.* at 739.



the IMF) that reward them for maintaining oppressive regimes. In the opinion of these lending institutions, in contrast to the Electronic Herd and most investors, it is preferable “to work with authoritarian rather than with democratically-elected leaders”<sup>63</sup> because individuals in democracies “often prefer economic policies that are redistributive and therefore constrain the market.”<sup>64</sup> For this reason, establishing an authoritarian political system may actually *benefit* developing States in need of capital from these international lending institutions and, consequently, discourage the establishment of democratically-elected governments.

Social pressures in developing States may also require them to implement various democratic canons while specifically excluding others. The following sections develop the advantages of encouraging various forms of “democracy” to complement capitalist economic regimes and the ways in which transnational and international institutions force the hand of States in deciding to “choose” to implement capitalist principles and certain political systems in the era of globalization.

#### *A. Democracy Within Individual States*

Dryzek argues that, historically, capitalistic “self-interest—and the commercial, capitalist society that secured it—were good for democracy.”<sup>65</sup> However, when economic rationality is allowed unlimited extension from the marketplace into politics, the effects may overwhelm the democratic system, leading to its demise. “[T]he more people experience markets, the more likely they are to become creatures of exit rather than voice, and the less conducive their behavior will be to the operation of democracy.”<sup>66</sup> While Friedman argues that the United States is the perfect model of capitalist-democratic principles, and thus provides an ideal blueprint for emerging democracies to follow to ensure success in the global era, Dryzek concludes that the United States is actually a better example of the *varieties* of democracy that can be adopted by different States. He notes that the United States actually contains “a surprisingly rich variety of alternative discourses, [including] . . . contented republicanism, deferential conservatism, disaffected populism, and private

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63. Nicole Wendt, *50th Anniversary of the World Bank and the IMF Prompts Criticisms*, 9 *TRANSNAT'L L. & CONTEMP. PROBS.* 149, 153 (1999).

64. Chantal Thomas, *Does the “Good Governance Policy” of the International Financial Institutions Privilege Markets at the Expense of Democracy?*, 14 *CONN. J. INT'L L.* 551, 558 (1999).

65. DRYZEK, *supra* note 32, at 95.

66. *Id.* at 104.

liberalism."<sup>67</sup> Because the intricacies of these alternatives are not as important as the identification of their existence, they will not be fully discussed in this Essay. However, it is important to note that while these alternatives obviously overlap with some of the basic principles of democracy, they simultaneously extend the possibilities available for developing States and provide options for the development of political structures that will be compatible with a capitalist free-market economic system.<sup>68</sup>

### 1. *The Danger in Moving Too Quickly*

Developing States, especially those accustomed to one-party governmental systems, may innately distrust the multi-party system of the traditional and American democratic models. Hence, democracy in these States will naturally seek to retain a one-party system (thus demonstrating unity and common identity), even while implementing other tenets of democracy, like freedom of speech and freedom of association.<sup>69</sup> These States will necessarily have to leave the development of a multi-party democratic system to time; forcing a multi-party system would place too much strain on the validity and success of other newly-implemented democratic principles. Where individuals and States have attempted to initiate "democracy without recognizing and fostering institutions of democratic governance, as in the case of former President Vaclav Havel's existential vision of an anti-political politics in Czechoslovakia, democratization has proven a vehicle for societal acrimony and, in this case, even a cause of the dissolution of the state."<sup>70</sup>

States who have attained "higher standard[s] of living and have moved above the agricultural stage of production" have a better chance at

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67. *Id.* at 117. Dryzek defines discourse as a "system of possibility for apprehending the world, constituted by common capabilities that enable readers and listeners to assemble words, phrases, and sentences into coherent and intelligible wholes." *Id.* at 116. A system of capitalist democracy, therefore, constitutes one such discourse. For a greater discussion on the alternative discourses proposed by Dryzek, see *id.* at 116-44.

68. Alerting developing States to the possibility of options to an American-based democratic governmental system should also create less resistance to the adoption of an economic system based on capitalist principles than if capitalism and democracy (both modeled after the United States) are peddled together as a pair. Likewise, States will be more likely to "plug in" to the global free-market economy if they believe that, in doing so, they will not be forced to forego their right to choose the underlying governmental system that will support this capitalist economic regime and to choose it on their own terms, at their own pace.

69. See Harold F. Bass, Jr., *Change and Democratization in One-Party Systems* in BUILDING DEMOCRACY, *supra* note 24, at 70, 77.

70. Michael A. Kelley et al., *The Democratic Impulse and the Movement Toward Democracy: An Introduction*, in BUILDING DEMOCRACY, *supra* note 24, at 1, 10.

successfully integrating democracy, though the transition still may not be smooth.<sup>71</sup> Abruptly instituting capitalism into the economy can cause severe repercussions: "Competition means loss of job security. Restitution of property means loss of housing security. . . . Overcoming shortages means rapidly rising prices and spiralling [sic] inflation."<sup>72</sup> For these reasons, States should not be encouraged to move toward democracy at a pace that exceeds their ability to adjust to the democratic practices necessary to attain this goal. Furthermore, States must be aware that there are various options to consider when implementing democratic and free-market principles into their existing political and economic structures. Particularly, decisions regarding the underlying structure of the democracy—unitary, federal, unicameral, bicameral, parliamentary, or presidential—can help a State ease the transition to a democratic government.<sup>73</sup> However, even the flexibility offered by these options may not allow for enough creativity to ensure success in States with diverse ethnic, religious, and linguistic histories.

## 2. *The Effects of History*

Particular problems for democracy exist in Africa, where State lines were arbitrarily drawn by colonial powers to divide the continent, with a complete disregard for the natural boundaries created by language, religion, and ethnicity. Now that these African States are independent, they face numerous problems resulting from the lack of homogeneity inside their borders and the scars from decades of colonial oppression, military resistance, and economic decline.<sup>74</sup> In these States, Michael Kelley argues, it will be enormously difficult for the existing governments to implement democratic principles and economic systems fashioned after those of the United States.<sup>75</sup>

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71. Axel Hadenius, *The Duration of Democracy: Institutional vs. Socio-Economic Factors*, in *DEFINING AND MEASURING DEMOCRACY* 85 (David Beetham ed., 1994).

72. Robin Alison Remington, *Democracy and the Market in East Central Europe: The Hard Choices*, in *BUILDING DEMOCRACY*, *supra* note 24, at 139, 157.

73. Whistler et al., *supra* note 24, at 226.

74. See Julius E. Nyang'oro, *Building Pluralist Democracy in Africa*, in *BUILDING DEMOCRACY*, *supra* note 24, at 85; Michael A. Kelley, *Democracy and Economic Liberalism: The Foundations of Hope in Africa*, in *BUILDING DEMOCRACY*, *supra* note 24, at 104, 107. "Ethnic agitation, chauvinism, political instability, and corruption, along with class conflicts and cultural impediments, will continue to remain obstacles to development no matter how potentially salubrious an approach to the region's problems." *Id.*

75. Kelley, *supra* note 74, at 107.

[T]he strains and stresses on fragile African political institutions occasioned by "central-local tensions, factionalism and intensive competition, inexperience in political office and a pervasive tradition of opposition to central government" mean that many governments have failed their first obligation to provide the political stability necessary for effective economic choices.<sup>76</sup>

Obviously, the fast pace of technological development and the continuing strength of a global market economy will only add to the strain felt by these African States, for internal instability and underdevelopment provide enormous obstacles to democratic advancement. These States must be resourceful and innovative in implementing democratic governments and capitalist economic regimes, for the traditional forms of these systems may face too much opposition for their implementation to be successful.

The principles of modern, and especially American, democracy may also be completely at odds with the moral and social structures that hold a State together. By disrupting the influence of these factors, societies that achieve economic success in the global era may nonetheless fail to improve the lives of their citizens in that, with that success, the social structure of their societies will become unraveled.<sup>77</sup> This, of course, is the predicament Friedman illustrates through his symbols of the Lexus and the olive tree. Without a connection to one's roots and social heritage, democracy and economic success are rendered meaningless.

An additional problem arises when American values are imposed upon States as part of an overall global democratic package. Even though a State accepts democracy and implements a capitalist economic system, it does not mean that the State also wants to integrate American values into its society. Many individuals believe that "American values are nothing more than soulless consumerism and mindless technology worship"<sup>78</sup> and, as such, have no place in their society. Offering various means of implementing democratic and

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76. *Id.* (quoting DONALD G. MORRISON, *UNDERSTANDING BLACK AFRICA: DATA AND ANALYSIS OF SOCIAL CHANGE AND NATION BUILDING* 83 (1989)). See generally Kevin D. Brown, *Globalization and Cultural Conflict in Developing Countries: The South African Example*, 7 *IND. J. GLOBAL LEGAL STUD.* 225 (1999).

77. See FRANCIS FUKUYAMA, *THE END OF ORDER* (1997). This book examines the problems faced by modern democracies due to the breakdown of the moral and social codes that once served to maintain order in society.

78. FRIEDMAN, *supra* note 1, at 327.

capitalistic ideals to developing States may dismantle the relationship between American values and these democratic and capitalistic ideals, and may make States less wary of attempting to assimilate the positive aspects of democracy and capitalism into their own societies.<sup>79</sup>

In the era of globalization, however, it may not matter whether an individual State independently chooses to adopt capitalist ideals and democratic principles, since States that belong to international and transnational organizations may be required to opt into this economic and/or governmental form in order to participate in these organizations. As States become increasingly connected both economically and politically, the existence of these institutions becomes a necessary evil that helps States maintain amicable relationships with each other and address common problems. However, though these institutions allow States to have a voice in the global community, this privilege comes at a cost.

### *B. Transnational Democracy*

Transnational organizations such as the United Nations (UN), trade regimes such as the European Union (EU) and the North American Free-Trade Agreement (NAFTA), and even lending institutions such as the World Bank through the IMF, place certain requirements on States before they are allowed to join or participate in the organization or regime. With the increasing number of international and transnational organizations that have been established since the Cold War, States are frequently asked to forego their own national economic and political agendas in favor of uniform global programs and approaches to problems. “[E]ven core states are increasingly forced to follow policies dictated by international trade regimes and other economic forces.”<sup>80</sup> David Held has noted that “[i]n 1909 there were 37 [international governmental organizations (IGOs)] and 176 [international non-governmental organizations (INGOs)], while in 1989 there were nearly 300 IGOs and 4,624 INGOs.”<sup>81</sup> Of course, while membership in the EU and

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79. “The future of democracy in capitalist times therefore depends on the activation of alternatives to economic rationality in social and political life.” DRYZEK, *supra* note 32, at 145-46.

80. *Id.*; see also, Thomas, *supra* note 64, at 556 (“Sovereignty appears increasingly less unified and more divisible, and virtually all states, not just developing countries, have partially ceded some important aspects of their powers to govern.”).

81. David Held, *Democracy and Globalization*, in RE-IMAGINING POLITICAL COMMUNITY, *supra* note 58, at 20. See also James N. Rosenau, *Governance and Democracy in a Globalizing World*, in RE-IMAGINING POLITICAL COMMUNITY, *supra* note 58, at 31.

NAFTA is based on geographic location, both trade regimes also place other obligations on their Member States.

The EU requires that its members accept "[u]nion citizenship, obligatory judiciary, binding legislative powers by majority vote, and supremacy" of the law of the European Community over domestic law.<sup>82</sup> A side agreement to NAFTA, the North American Agreement on Labor Cooperation (NAALC), requires members to enforce certain environmental and labor standards.<sup>83</sup> Likewise, members of the UN must agree to enforce a global human rights agenda—the violation of which may lead to sanctions.<sup>84</sup> Furthermore, States that receive financing from the IMF are often required to implement numerous economic policies to "strengthen" their internal economy and provide greater assurance to the IMF of a return on investment.<sup>85</sup> The policies required by these lending institutions, however, often work against those promoted by organizations like the UN. This creates even more difficulty for developing States trying to gain favor with both international lending institutions and powerful, democratic States.<sup>86</sup> These obligations and requirements are only a small fraction of the compromises States must make to participate in global institutions and organizations.

Held believes that these transnational and international organizations as well as other characteristics of the global era, like greater economic dependency, lead to two conclusions about the state of the democratic political community:

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82. Delbrück, *supra* note 30, at 18.

83. See Clyde Summers, *NAFTA's Labor Side Agreement and International Labor Standards*, 3 J. SMALL & EMERGING BUS. L. 173 (1999) (arguing that the side agreement is not being enforced and is therefore unsuccessful in protecting the environment and labor rights).

84. Louis Henkin states:

In the aftermath of human rights violations in Rwanda and the former Yugoslavia, the United Nations established international criminal tribunals to identify and punish the perpetrators of the atrocities . . . Whereas resolutions of the U.N. General Assembly are not binding upon U.N. members, the U.N. Charter obligates members to obey Security Council Resolutions . . . The Security Council is authorized only to issue a binding resolution to combat a threat to international peace and security . . . . In order to mandate international action against human rights violations, the Security Council must first find that the violations threaten peace and security across national boundaries.

Louis Henkin, *That "S" Word: Sovereignty, and Globalization, and Human Rights, Et Cetera*, 68 Fordham L. Rev. 1, 10 & n. 38 (1999) (internal citations omitted).

85. "In pursuing a particular line of economic policy, the IMF may insist as a condition of its loan to a government that the latter cut public expenditure, devalue its currency and cut back on subsidized welfare programmes." Held, *supra* note 35, at 217.

86. Thomas, *supra* note 64, at 551.

First, the locus of effective political power can no longer be assumed to be national governments—effective power is shared and bartered by diverse forces and agencies at national, regional and international levels. Second, the idea of a political community of fate—of a self-determining collectivity which forms its own agenda and life conditions—can no longer meaningfully be located within the boundaries of a single nation-state alone.<sup>87</sup>

In sum, the abundance of transnational democratic organizations serves to undermine the authority of all Member States, democratic or otherwise, in certain areas (i.e., human rights, labor rights, environmental issues, and some economic issues). “Nations are heralding democracy at the very moment at which changes in the international order are compromising the viability of the independent democratic nation-state.”<sup>88</sup> Thus, it is uncertain what the effects of this power shift will be in regard to the autonomy and role of individual States in the era of globalization.<sup>89</sup> While it is clear that States must adopt capitalist economic measures to compete in the global economy, it is less certain that States must also implement democratic governmental principles in order to have a voice in the global community. Although a democratic political structure may support a capitalist economy, it does not seem conclusive that anything beyond free and open elections is *required* by States to participate in decisionmaking at the international level and to gain the support of the Electronic Herd in the era of globalization.<sup>90</sup> On the contrary, the World Bank and the IMF might argue that democratic principles are the least important factor for States to integrate in order to succeed in a capitalist, free-market global economy.<sup>91</sup>

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87. Held, *supra* note 81, at 21.

88. Held, *supra* note 35, at 197.

89. As Friedman notes, when “all politics is local, your vote matters. But when the power shifts to these transnational spheres, there are no elections and there is no one to vote for.” FRIEDMAN, *supra* note 1, at 161.

90. “Given the diversity of politics and traditions in the world, and given the inbuilt resistance of the states system to the international regulation of national affairs,” requiring free and open elections “probably represents the limit of what the still frail global system of states can be expected to accept and promote as a right of peoples assertable against their own, and other, governments.” Marks, *supra* note 47, at 462 (quoting Thomas Franck, *Democracy as a Human Right*, in HUMAN RIGHTS: AN AGENDA FOR THE NEXT CENTURY 73, 75 (L. Henkin & J. Hargrove eds., 1994)).

91. “The tendency of the [international financial institutions] to favor markets at the expense

## CONCLUSION

Democratic governments are not born overnight. Rather, democracy is a process that grows and develops with time as individuals assert their right to participate in government and hold their elected officials accountable for the decisions that are made. "It's easy to declare a free market in your country. What's difficult is to establish evenhanded enforcement of equitable laws and commercial codes, with courts that will protect people from unfettered capitalism."<sup>92</sup> Developing States should not be expected to painlessly incorporate democratic principles into their existing political and economic structures. Likewise, they should not be forced to embrace ideals that are contrary to their social and political heritage. As Friedman notes: "You cannot build an emerging society—which is so essential for dealing with the globalization system—if you are simultaneously destroying the cultural foundations that cement your society and give it the self-confidence and cohesion to interact properly with the world."<sup>93</sup> Likewise, the global community must realize that each State will react to the demands of the global market—and the opportunities created by it—in a different way. In the global market, no State is beyond the need for constant change and refinement. Even the Electronic Herd may be pressured to change its standards as strong, nondemocratic States begin to succeed in the global economy.

On a recent trip to Davos, Switzerland, U.S. President Bill Clinton noted: "In order to include the developing world in the benefits of globalization, the well-off have to make some adjustments."<sup>94</sup> President Clinton's attitude reflects what I believe must be the prevailing conception of the era of globalization—that all States must learn from each other and accept the nuances and diversity inherent in each State in order for the global economy to become an optimal trading mechanism. This conception requires the Electronic Herd and every State participating in the global economy to "adjust" to the specific

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of democracy arises from this phenomenon[.] . . . according to which a well-functioning democratic process will often lead to redistribution away from a minority of dominant market actors; it will therefore thwart [international financial institution] policies designed to favor such actors in the interest of generating growth." Thomas, *supra* note 64, at 559.

92. FRIEDMAN, *supra* note 1, at 130.

93. *Id.* at 243.

94. Jane Perlez, *At Conference on Trade, Clinton Makes Pitch for Poor*, N.Y. TIMES, Jan. 30, 2000, at A6.



political and economic structures of developing and nondemocratic States, so that all States may reap the “benefits of globalization.”

This vision runs contrary to Friedman’s assertions that success in an economically integrated world will only be possible for democratic States that have integrated capitalist principles into their economic structure.<sup>95</sup> Friedman argues that States will be unable to gain the financial backing of the Electronic Herd without the implementation of at least rudimentary democratic ideals based on those of the United States. He stresses that the “three democratizations were mostly nurtured in America. The Golden Straitjacket was mostly made in America. The Electronic Herd is led by American Wall Street bulls, and the most powerful agent pressuring other countries to open their markets for free trade and free investment is Uncle Sam.”<sup>96</sup> His message is simple—to be successful in the era of globalization, you must either be or beat the United States<sup>97</sup>—and he is convinced that the United States, as the champion of the global era, is unbeatable. As China moves closer toward acceptance into the World Trade Organization, it will be interesting to see if Friedman’s pronouncements will hold. Must all States entering the global marketplace become a carbon-copy United States to be successful? Or will the addition of a strong nondemocratic State like China change the playing field so that, as President Clinton opined, all States—including the United States—will have to “adjust” to remain competitive?

In the meantime, many States who “choose” democracy will be in the process of democratizing,<sup>98</sup> or will be evolving a democratic system to conform to their own social, legal, and political traditions by deliberately choosing only fragments of the American democratic system of government. “[D]emocracy is not to be regarded as an ‘all-or-nothing affair’, which a state either has or does not have, but as a matter of degree, according to how far the principles of popular control and political equality are realized in practice.”<sup>99</sup> In some

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95. FRIEDMAN *supra* note 1, at 130.

96. *Id.* at 309.

97. In other words, “if you can’t beat ‘em, join ‘em.”

98. Friedman asserts this as well, noting that some States will not be able to keep up with the time frame that the Electronic Herd demands. FRIEDMAN, *supra* note 1, at 333.

99. Stuart Weir, *Primary Control and Auxiliary Precautions: A Comparative Study of Democratic Institutions in Six Nations*, in *DEFINING AND MEASURING DEMOCRACY* 113 (David Beetham ed., 1994). Weir’s article provides an in-depth look at the democratic systems of the United Kingdom, Australia, Denmark, France, Germany, and the United States, and illuminates the various ways a State may personalize the various tenets of democracy to fit its own history and political agendas. *Id.*

cases, democratic principles may not even be part of the recipe for a State's success in the global economy.

Though the pace of technology may force many States to adopt capitalist and democratic systems more rapidly than they would like, technology cannot insist upon the immediate and total acceptance of these systems. "In order to be sustainable [sic], the rate of social and political change must not be greater than a state's democratic 'carrying capacity' or the ability of people and society to assimilate the costs associated with movement to democracy and free-markets."<sup>100</sup> In some cases, States may not be able to integrate democracy into their political structure in any form because of moral, social, or historical obstacles. In these cases, perhaps it will be the democratic States, and the Electronic Herd itself, that must relax their own standards and evolve their own systems to complement or adopt the strengths of these nondemocratic States.

However, according to Friedman, there is no time to slow down and wait for developing States to assimilate the ideals of democracy and capitalism into their social structures, and there is no option but economic stagnation for States that choose to play by their own rules in this game of globalization. States must either jump on the globalization bandwagon now, or suffer the enormous costs of technological underdevelopment, economic stagnation or decline, and political isolation from the international decision-making community. Unfortunately, many States will be unable to balance the symbolic Lexus and olive tree with so much emphasis placed on economic success and global market integration and, while they may succeed in the "drive for sustenance, improvement, prosperity and modernization"<sup>101</sup> by instituting capitalist economic principles, the global community will increasingly become a rootless, homeless orphan in the process. To curb the disintegration of the cultural, moral, and historic roots that hold individual States together, creative forms of democracy must be promoted, and nondemocratic, capitalist States must be accepted. Otherwise, developing States may reject integration into the global community altogether and, by doing so, eliminate their prospects for success and growth in the era of globalization—to the detriment of all States.

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100. Kelley et al., *supra* note 70, at 10.

101. FRIEDMAN, *supra* note 1, at 27.

