

Carry on globalizing

Why globalization can safely continue and why the charge of anti-Americanism is not always valid, as told by JY&A Consulting to *The New York Times* and expanded upon for this article

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This is a post-September 11 follow-up to the author's 'The moral globalist'

THERE are opposing forces between government and commerce, it seems. When Wally Olins wrote *Trading Identities*,¹ there was the impression that governments have had to adopt the branding strategies of corporations, while corporations had to behave themselves more as people became more fascinated with them. Last year, I advanced the proposition that organizations had to become more moral in light of cleverer consumers, the spread of news and rumour on the internet, and the demand for good corporate citizenship.

Right now, the opposing forces appear to be at work again. As the commercial world globalized, the US had done the opposite: the Bush administration walked out of the UN racism conference in South Africa,

withdrew from the Kyoto protocol on global warming, and blocked its ratification of the International Criminal Court.

After September 11, 2001, America reversed its policy. Siobhan Roth in the *Legal Times*² noted that the US had paid \$582M in back dues to the UN. The US sought multi-lateral support in its "war on terror". Other nations' military forces now help defend the United States in its own airspace for the first time. There is a possibility that the US might not get insular after the war is over; unlike the end of George Bush Sr's term, the writer leaves one with a glimmer of hope that the United States will not withdraw from international obligations.

The *Legal Times* story came out the same week as *The New York Times*' articulate David Barboza

wrote 'When Golden Arches are too red, white and blue',³ pointing out that there was a nearly immediate anti-American backlash on McDonald's restaurants after the US's raids on Afghanistan.

As the nation globalizes, corporations might cease to.

But as I wrote in 'Brands transcend economics (and *The Economist*)',⁴ there does not seem to be much wrong with the global economy. Brands remain strong, as do the theories behind them. Global branding is a valid part of modern commerce.

In the west, global branding has only suffered setbacks with organizations such as Coca-Cola and McDonald's not because of American imperialism, but because of consumer choices. Consumers are smarter and more discerning. There is a greater emphasis on individuality with the younger generation. Backing the establishment for Generations X and Y is not cool. They are more aware, with the information now available to them, of misbehaviours. McDonald's has a minimum-wage image, particularly Stateside, as Mr Barboza and I discussed when he spoke to me about his article. The minimum-wage image wouldn't be so important if McDonald's was not a \$40 billion enterprise. I brought up the example of Nike, another global brand, whose revenues have slipped in recent years, because of mounting negative publicity over allegations of sweatshop labour.

Is anti-Americanism something inside America only? *The New York Times* quotes Henry Kaufman at Salomon Brothers and Alan Brew at Addison of San Francisco, both of whom believe the era of global brands is at a standstill or an end. I can't agree.

When I wrote 'The moral

globalist' in response to attacks on McDonald's in May 2001,⁵ I pointed out that nation envy drove the protesters. Mr Barboza was right to point out, quoting James L. Watson, editor of *Golden Arches East: McDonald's in East Asia*,⁶ that the protesters are a tiny minority 'who inflate the significance of McDonald's because of what the company symbolizes.'⁷ Indeed, without globalization, the same protesters would never have heard of the things that they charge McDonald's with.

'It represents American popular culture and many of the features that people might now loathe and despise,' said Dr Watson to *The New York Times*. And with it, continues the argument, comes the fear of the erosion of local cultures.

Globalization cannot wipe local cultures

People are quick to pounce on the US. It is allegedly creating a 'McWorld in which people in a standardized and ultimately anti-septic global village are cowed into existing on Big Macs and fries'. The 'McWorld' which Mr Barboza quotes is from Benjamin R. Barber's *Jihad v. McWorld: How Globalism and Tribalism Are Shaping the World*.⁸ Global forces are at war with increased tribalism in many communities. But even in the west this can be traced, and can be explained not by the fault of global branding, but the increasing awareness of consumers.

Outside the occident, there may be a battle as Dr Barber says—but from my travels American culture is never forced on individuals.

No, America is targeted for criticism because it can be: it is a strong enough country that realizes it can become still stronger through reflection. That is the freedom that the United States represents, what

attracts immigration, and internal national criticism is considered to be fundamental to one's freedom of speech. Other nations do not invite it. Therefore, the US attracts both nation envy and criticism. That is the beacon of freedom that prompted the September 11 attacks but terrorism should not sway America from pursuing its path of freedoms and civil liberties as an example for the rest of the world.

Think of other global products that are similarly visible in some markets. Sweden's H&M, quite the fixture in New York, is getting global and no one seems to mind—because it produces good products for a good price, giving the impression that it could not be profiting unfairly. It doesn't play on the Swedish angle and the products are made in Asia, anyway.

Everywhere I go there's someone driving a Volkswagen Golf, Honda Civic or a BMW 3-series, all in the top 20 of automobile sales.⁹ The Taliban militia and various African military forces are very happy with their Toyota trucks, just as a farmer in Brazil or New Zealand might be. Yet these don't seem to be the target of effigy-burning or street protests on May Day.

Because of the double standards, there's some basis for saying that the fundamental right of the freedom of speech should rightly be sacrosanct, if it allows us to criticize, find faults, remedy them and become stronger.

There is also basis for saying that global corporations cannot ever wipe local cultures. Local cultures are driven by pride, something that can be taught and perpetuated through family and traditions. Indeed, the word *culture*, by definition, requires this social-group teaching.

Operating in the commercial sphere, organizations influence consumer behaviour, but opponents

seem to believe that marketing changes people's souls. If there is proper education, there is no reason for anyone to be gulled. It is why the Toyota truck is not a threat, even if they are very commonplace and families have to make a far greater commitment to purchase one than a Big Mac. In sales terms, the Toyota truck may form, in some countries, a larger market share in the automotive market than McDonald's in the food market.

It is the same argument as violence on TV. If children are exposed continuously to violence without being taught right from wrong or the meaning of honour or the ability to refrain, then they will be violent. Couple it with education, they won't be. The same methods keep them from spending madly on products just because they are marketed.

Blaming corporations is a neat cop-out to taking responsibility for proper education. Blaming America seems to be a neat item of hypocrisy.

The other American firms

The reason for McDonald's and others being targeted with the attacks in the subcontinent, for example, is their use of an American image—but *not* because of globalization. Mr Barboza leaves the right impression in his article. It is the fault of *how* McDonald's has globalized (although he uses the qualifier 'perhaps'), because there's certainly no record, or few records, of equally successful but less intrusive American firms who have received the same treatment. We don't hear of Kimberly-Clark being targeted, yet it spans the globe in much the same way. Procter & Gamble quietly exists. In these firms, there is no purposely crafted American image: it is not like going into Burger King and being bombarded images of Marilyn

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Monroe, Elvis and advertisements for a 1956 Buick. There is nothing about Kimberly-Clark that would upset ill-informed intelligentsia.

There are ways out. The targeted corporations have already tried to be good local citizens, in some cases. Thinking local is one way, but in my opinion each of these organizations bring with them negative images of greed. There is a contrast between the poverty of the front-line staff and the happy images shown on television or in the smiling life-size figures of Ronald McDonald. This draws more hatred in times of crisis. Where are the human rights in minimum wages? In Nike's labour practices in Indonesia? This behaviour is not American and quite unlike the generosity that the US would like to portray.

In times of crisis, it is also this that invites protest.

Individual and global Kimberly-Clark, Sara Lee, Procter & Gamble brands are obviously American. The contrast is not as noticeable. Huggies and Pantene prevail in India and numerous other nations. The McWorld charge can be levelled at them. (How much duller can it be? What great romance comes from an American-designed diaper? Isn't it more a threat of the shocking American hegemony, worn by and

influencing our youngest citizens?) But it is not.

The difference in attitudes towards these corporations can only be explained by how the brands have been managed and promoted. The unaffected American brands may survive through promoting an image of decency and those common values we all admire: trust, honour and integrity. *Trust* is not the first adjective that comes to mind as a result of McDonald's or Coca-Cola's marketing, even if many of us trust the consistent quality that we might get from their products.

Finally, it will come down to education. Those who committed the atrocities of September 11 and those who targeted McDonald's branches in Islamabad, Karachi, Makassar and Yogyakarta don't see the hypocrisy. They don't see that the reasons for the attacks on New York and the Pentagon are due to the good values that America stands for.

While there is corporate misbehaviour which has invited the protests every bit as greatly as the wrongful belief that McDonald's stands for imperialistic evil, there is a lot of righteousness about the United States that does not exist in their own nations.

We return to the nation envy of an America that is strong because it

does not shut its citizens up, that allows freedom of the press, that permits criticism of its own leaders. People who voice their opinions are not cut off at the head like tall poppies, but are accepted.

We risk the United States forgetting such values that made it great as it tries to become merely "good enough" by passing legislation that worry civil libertarians. Mayor Rudy Giuliani handed back a \$10 million cheque to HH Prince Alwaleed bin Talal bin Abdul Aziz Al Saud, because an aide of the Saudi prince implied that US foreign policy brought on the attacks. While I do not agree with that conclusion, either, and was as incensed as the State Department when it advised the \$10 million be handed back, such a criticism should be accepted as another's viewpoint. The America I know would have.

There are signs it didn't. When Congresswoman Cynthia A. McKinney of Georgia expressed a similar viewpoint, fellow politicians such as Senator Zell Miller called her comments 'disgraceful,' as it could be construed as 'agreeing with the enemy' at a time of war.¹⁰

The possibility that it *could have been* US foreign policy should have caused reflection and introspection. US foreign policy isn't perfect and there are aspects that polarize opinions, so let us make it better. I can't see many doing the same introspection—but Congresswoman McKinney did. I did, too, when considering my own response, but I reach a different conclusion and, respectfully, disagree.

Where is such criticism now embraced by people and media alike? From my monitoring of the international press, the answer is Germany, which has come to terms with the postwar era, the European Community and reunification. There

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there has been neither resistance nor protest from our readers. Reading something published in British English is as acceptable as driving a Japanese car or wearing a Swiss watch.

It is through globalization that regional and local differences can emerge and be championed. Individuals' efforts—whether they be this paper or Ms Bradford's essay from which I quoted¹²—can come to the fore and reach more people. With cheaper air travel, we can personally communicate our views to others.

Most importantly, we should see the moral globalist surface. We should educate tomorrow's citizens with global responsibility in mind and there are encouraging signs that tell us we are on the right path—though far more needs to be done. The separations that have kept nations at odds with one another and fuelled misunderstanding are unnecessary and wasteful. Corporate structures that force the marginalization of the poor cannot survive because of an increasingly globally conscious and information-rich consumer who is more aware and desirous of the truth. The fault lies not with globalization, but how we have managed to use—or more accurately, misuse—our path. The misuses can, refreshingly, end overnight, by our simply making a choice for the betterment of everyone on this planet. •

- ¹ See MacKinnon: 'Foreign correspondent', *Desktop*, April 2001, pp. 75–6. Ms MacKinnon's series is excellent in showcasing work from around the world. She does not make this mistake, but she does note that there is a prevalence of American design on the web. This is, the author presumes, due to US leadership in the medium.
- ² Bradford: 'Globalization has made most of the world poorer', *The New Zealand Herald*, September 19, 2000.
- ³ Kay: 'Downfall of an economic experiment', *Financial Times*, August 30, 2000.

⁴ Chandrasekaran: 'Indonesian workers in Nike plants list abuses', *The Washington Post*, February 23, 2001, p. E1.

⁵ Ibid.

⁶ Knol (ed.): 'H&M refutes *Aftonbladet* allegations', *Lucire*, April 11, 2001, <<http://lucire.com/news.html>>.

⁷ 'Labour market', Statistics Sweden, March 2001, <<http://www.scb.se/eng/arbetsmarknad/arbetsmarknad.asp>>.

⁸ *Foreign Labour Trends Report: New Zealand*. Washington: US Department of Labor 1993–4, <<http://www.tradeport.org/ts/countries/newzealand/fit.html>>.

⁹ Desai: 'Redirecting globalization for benefit of the masses', *Earth Times News*, January 2, 2001.

¹⁰ Olins: *Trading Identities: Why Countries and Companies Are Taking on Each Other's Roles*. London: The Foreign Policy Centre 1999.

¹¹ For example, Nike revenues peaked in 1998. *Nike Ten-Year Financial History*, 2000, <http://nikebiz.com/invest/ar_00/financials/10_year_history.pdf>; q.v. *Branded*, BBC TV 1996, a three-part series investigating the power of the Nike, Levi's and Heinz brands.

¹² Bradford, loc. cit.

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is nothing wrong about criticizing Chancellor Schröder, where proper investigations into scandals is considered a fundamental part of a political journalist's job and where the press offers differing viewpoints to allow the citizenry to analyse and make up its own mind.

We return to the same arguments I've been advancing for some time in the disciplines of identity and branding. The moral globalist still is the key to corporate success around the world. The image of being individual, championing rights, sincerely believing in our fellow human beings. The promotion of trust, not hypocrisy. Of values, not harm.

It'll take a while for larger organizations to shift if existing images are too strong. Don't expect McDonald's to be remedied in mere weeks. But a path of conquering new markets and expansion is not wrong, provided it is done with the greatest awareness of individual rights and freedoms, as

well as respect of local cultures. I stake—have staked—my company's work and reputation on that.

The United States needs not change its policy on freedom; the free world's resolve should be steeled and a moral high ground can be taken—but only once we reflect on the values that make us great, why they should be emphasized in commercial endeavour such as McDonald's, and conclude that the rights enshrined in the US Constitution should be followed more sincerely.

The great adventure is the synergy that can result and an emergence of new cultures, not one that is solely American, but one that is richer and greater because of the valuable traits that it has inherited from its progenitors. That is progress in human history. It could see the end of racism and sexism. That, however, is another article altogether, with its own path. •

- ¹ Olins: *Trading Identities: Why Countries and Companies Are Taking on Each Other's Roles*. London: The Foreign Policy Centre 1999.
- ² Roth: 'A united front?', *Legal Times*, October 16, 2001.
- ³ Barboza: 'When golden arches are red, white and blue', *The New York Times*, October 14, 2001.
- ⁴ Yan: 'Brands transcend economics (and *The Economist*)', *CAP Online*, September 25, 2001, <<http://jyanet.com/cap/2001/0925ob0.shtml>>.
- ⁵ Yan: 'The moral globalist', *CAP Online*, May 2, 2001, <<http://jyanet.com/cap/2001/0502ob0.shtml>>.
- ⁶ Watson (ed.): *Golden Arches East: McDonald's in East Asia*. Stanford 1998.
- ⁷ In Barboza, op. cit.
- ⁸ Barber: *Jihad v. McWorld: How Globalism and Tribalism Are Shaping the World*. New York 1995.
- ⁹ Ang: 'Best-selling cars in the world', *Motioncars.com*, September 2001, <http://motioncars.com/autobuzz/articles11/best_selling_car.html>.
- ¹⁰ Firestone: 'Call to study US stance on Mideast draws anger', *The New York Times*, October 18, 2001.