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## The demise of Brand America, the emergence of the world citizen

JUST BECAUSE I was one of the first people to write about nation brands does not mean I am the best informed. That honour probably falls on a few people, and among that group is Simon Anholt.

I've known Simon for a wee while and was very happy to see that an index of nation brands is named for him—since he has had more to do in a high-profile sense with the subject than anyone else on the planet. And on this index, for those who haven't followed it, the United States comes dead last in the cultural heritage stakes.

Simon believes that the goodwill the US has had over the last few decades has worn off. It's people like me who still have a fairly romantic notion of what American business stands for, but anyone younger outside the United States might view it very differently. If we do not watch out, the next generation might grow up watching Al Jazeera International and not CNN.

Those at my office have heard me lament for the good old days of the great American corporation. Ten or fifteen years ago, my experience was that the American business person could not be surpassed for professionalism or honour. There were obviously exceptions to this, but you

saw that on TV. Everyday businessmen like me didn't encounter them.

Maybe it is my involvement in *Lucire* in the fashion sector that has lead me to see a few more ratbags come our way. Like my Hollywood friends who note that their town attracts its share of ego-hungry, empty people (the truly successful work their asses off), fashion attracts plenty of those who see it as glamorous and easy—when those of us on the coal face know it is anything but. Looking glamorous is gritty, hard work.

In 2005 alone we confronted about four parties in the United States who tried to con us out of thousands, and in one case, actually made off with \$7,000. I don't mind admitting we were a little too trusting, and that is the price one pays. And then one begins to realize just how some people can associate the behaviour of the few with the entire nation—like those who think Muslim fundamentalists are representative of all Islam. Because it is awfully tempting to slag off all Yanks after those experiences—even the good ones who, like me, bemoan the behaviour of a few who are letting their side down.

I am too involved, I have too much history, and I have too many family members who are proud Americans for me to ever step across that line. Defending American values—the good, universal ones that we all have, regardless of nationality—has almost become a secondary activity. And funnily enough, that has included, at work, reminding young Americans what draws people like me to deal with their nation—things they themselves are surprised to hear.

On a regular basis I see people forget what is written in their own Constitution, behaving in ways that are actually contrary to the values set down by their nation. Mistrust before trust; where a man's word is worthless. And when Americans visit here, I hear this comment: 'New Zealanders are so friendly. It's like what we used to be.'

I argue that there are plenty of places in the United States that are as value-based as they always were. However, even these Americans who make these comments realize something is afoot.

So how does one repair Brand America? Simon's book, bearing just

that name, has many clues, but I particularly enjoyed his answer to a question posed to him by a *Financial Times* reporter:

[I]n my experience of working with governments around the world, it seldom is possible for a country to actually change its brand. These are deep underlying prejudices that we're talking about here.

As I say, nation brands are like starlight. Any astronomer will tell you that the stars you think you see in the sky died millions of years ago. It's only the light that has reached you now. Today, the modern image of Scotland was single-handedly created by Sir Walter Scott two hundred years ago, that's how slowly these images move. So it's simply unrealistic to imagine that one can reverse a decline in a nation's image overnight, to do it thoroughly and to do it properly, so that you can look back and you can say we fixed that, it's going to be 5, 10, 15, 20 years.

Now that doesn't mean you can't do things straightaway and achieve some wind straightaway, and that's very much where BDA [Business for Diplomatic Action] comes in. But the very first step has got to be to understand it, to understand exactly how people see this country or any other country. And that itself is very difficult because it's about abandoning your own cultural filters.

One of the things that the Nation Brand's Index shows incontrovertibly about America is that the criteria which Americans use to judge success are entirely different from the criteria that people in other cultures use. If you go by American criteria, America is top of every list. Clearly, the world does not share these perceptions because the criteria are different. You have to see yourself as others see you.

America's primary problem in all of this is it has a fixation of universality. It believes that the baseball World Series can be called the World Series, even though there are no foreign teams on it. There's a cigar shop down the road here, which is called the World's Greatest Cigar Shop because it's the best in New York, so it must be the best in America, so it must be the best in the world.

Now, we joke about this, but the fact of the matter is, America's primary problem is that it has this fixation of universality. Only when it has abandoned that will it start to be able to begin the process of fixing that problem, which is why I used those words "if you like" to understand that American has no God-given right to

dictate terms on other thing to anybody. It has to be here, with all that massive power, at the service of other people if they want it.

Now that, you're absolutely right in suggesting, is a very long process. It's generational change. It's educational change. And BDA, quite rightly, are going down to primary school level to talk about fixing this. And in the strategies that I create for some of the countries I work for, it almost always starts with education.

Because to make a population more welcoming or whatever, you are talking about a generation's worth of change. We can do some things in the short term but the process is a very long one.

I have been querying this after I read it. Yes, it is very convincing. To me, there is nothing wrong with core American values because, as President George W. Bush said in his second inaugural address, many of them are universal values:

From the day of our founding, we have proclaimed that every man and woman on this Earth has rights, and dignity and matchless value because they bear the image of the maker of Heaven and Earth. ...

Freedom, by its nature, must be chosen and defended by citizens and sustained by the rule of law and the protection of minorities. And when the soul of a nation finally speaks, the institutions that arise may reflect customs and traditions very different from our own.

America will not impose our own style of government on the unwilling. Our goal instead is to help others find their own voice, attain their own freedom and make their own way.

The fact different nations apply them at different times and in different ways is where we encounter problems with the 'fixation of universality'. That is where things slip up.

Simon is correct when he says it begins with education. The problem is not so much that new values need to be learned, but that old values need to be learned and applied. The four fast-talkers of 2005 that I refer to know

the vocabulary—they know words like honour and responsibility—but they sure don't know how to live them. And I can name a few more, even in my personal life, who exhibit cowardice when they talk about honour. The values are there, the words are there, but for some—and from what I can tell, an increasing number—the application is not.

The second change that needs to be made is an awareness of a global society. If a nation's values are to survive, they need to be strong against others'. But there seems to be little comparison between American values and others' values in the American classroom. Sure, that is second-hand information and I haven't visited a US classroom for five years. But I have the first-hand witnessing of how American business is being conducted—and it is not nearly as well as it was 10 years ago.

Why bother with other nations? The greater you want your influence to be, the more you must engage with others. Through that engagement, new understandings are made. Human society evolves. What we do not need is this to continue (quoting Keith Reinhard of the BDA, in the same session as Simon earlier):

In a *National Geographic* survey in 2002, four out of five Americans between 18 and 34 could not find Israel on a map. A third could not pinpoint the Pacific Ocean. So this is a job for education in the United States. [According to the survey, 'About 11 percent of young citizens of the U.S. couldn't even locate the U.S. on a map.']

I can say this through reading of my own people's experimentation with isolationism in the middle of the last millennium. By the time China reopened itself to foreign powers, the Ching Dynasty was corrupt. It was all too easy for the colonial powers to enter, and for revolution—not to mention the events of 1949 which created a communist dictatorship.

I can also say this because the efforts of one man—Peter Jackson—changed perceptions about New Zealand. Because he applied his principles, in efforts that well surpassed all the (mostly ill judged) destination marketing done by the New Zealand Government. He insisted

on creating a sort of Hollywood South and even drafted foreign talent here—engagement with other cultures. And when these lovely films of his were released, people began becoming intrigued about New Zealand. If we are the “old America”, then I have to take that as a compliment.

In mid-April 2006, I was invited to join the American Chamber of Commerce here. I had to ask the executive director what its political affiliation was—if it leaned toward one party or another. I need to know that the Chamber can do a better job than I have of dealing with the US over the last 18 years. It needs to tell me that it is here to promote values as they are applied to business, before it even begins to tell me how many dollars of trade it is responsible for. And in that, I think the executive director’s letter missed the point of how I can best be drafted in. Because in this age of doubt about Brand America, I need to know that I am going to find fellow members who are the type of American that helped me get started in international business.

At the time of writing, I have not joined. I believe I am engaging with enough nations, learning their cultures, finding new grounds and ways forward. I’ll keep up my contacts with the United States, because the overwhelming majority of Americans are righteous and decent. But I hope some of Simon’s words are heeded, to restore the image of the United States of America abroad, and to make those values not only sound good, but mean good and do good.

The greater the nation, the more it must have introspection, and the greater the good it must show the world it is capable of. But if it does not, and it is the leading nation on earth, then we might see the demise of nationality altogether.

LINGUISTICALLY, I was interested and a little disturbed (in a good way) to note that English is now behind Japanese (and, half a year ago, Chinese) in terms of blog posts, according to Technorati’s Dave Sifry. The French are probably panicked because they have fallen behind Russian. All this is more cause for using services like Babelfish.

It illustrates that English is slipping as a global lingua franca, and that fact is tied to the decreasing brand equity of English-speaking countries. Whether this means a fragmentation of languages or the rise of a new dominant one is unclear; but English can only re-establish if English-speaking nations can show themselves to be moral and professional leaders, not the language in the service of technocrats. Right now, the blogosphere—surely the most immediate written indicator of global trends—shows that that authority is being lost, and that the rising economies are elsewhere.

Markets like the United States may be large, but some are concluding it may not be worth the heartache (the furore over the Dubai ports' deal, etc., which had greater repercussions)—except, perhaps, for Red China, still eyeing it as a nation of 300 million consumers. But clearly, being a consumer nation is not enough to keep English on top.

It wasn't always this dire. At *TV Ark*, there is a 1989 Coca-Cola commercial, where a bunch of teenagers are singing a song called 'Tomorrow'. This was shown worldwide, at the end of a decade that I remember as being relatively US-friendly.

Ronald Reagan had been in the White House most of the decade, and we in New Zealand tended to look favourably upon imported TV commercials. They had higher production values than our own, and hearing an American accent was no great sin.

How times have changed. You don't really notice the gulf till you view the ad again, and think, 'That made me feel good about Coca-Cola. It was a darned good song.' And, maybe, 'Go, USA!'

But I dare say most New Zealanders—used to seeing locally made TV commercials now that are rather ingenious—think American ones are inferior these days. Companies do not do better by having an American connection: those commercials are now dubbed with an antipodean accent, particularly those from S. C. Johnson. The idea that America leads the west is rapidly fading, and not just in Jacques Chirac's house.

Today, it's American commerce as well as politics that have some

folks upset about the US. In Fairfax's *The Dominion Post* on September 8, the top headline in the international pages was, 'Bush admits secret CIA jails'. This certainly wasn't the main thrust of the President's speech that he gave that morning. Ownership by American companies of local brands such as Keri (orange juice) by Coca-Cola is downplayed. The Ford Motor Co. supports the All Blacks' rugby team, localizing itself.

So what is the solution? Just like with anything else, I believe it lies in the connection between people. We know the US has less than a stellar nation branding programme, because it cannot decide which department should oversee it. Cynics will say that such a programme, when delivered by the USA, will be overly commercial and insincere. One such example was given by brand strategist Neill Archer Roan on his blog ([www.neillarcherroan.com/blog](http://www.neillarcherroan.com/blog)) when entering Washington, DC—and if it was indicative, then Brand America needs more serious thought:

When I arrived at Dulles, I spent my obligatory 50 minutes waiting at baggage carousel number 3 for my luggage. The airport authority has a television monitor going there where all manner of politicians ranging from Speaker Dennis Hastert to Senator John McCain welcome tourists to Washington, DC. They're smiling, warm, and friendly. They positively ooze comity and collegiality.

Then the television monitor (that is supposed to distract us from thinking about how the Pleistocene era went faster than our baggage delivery) coughed up Washington, DC's brand new tag line:

Washington, DC. The American Experience.

Right. This is the truth? I don't think so. Washington is anything but The American Experience.

Washington is a grand city—a gorgeous city. As one of my foreign-embassy-cultural-attache friends pointedly observed—Washington is a city that was built to intimidate.

I was never a big fan of Ronald Reagan's politics, but just like a lot of people, I



liked the guy. One of the things I admired about Reagan is that he told the truth about Washington. He believed that being within the Beltway distorted an insider's view of how the rest of America thinks and feels. In my view, that's never been truer than it is today. To call Washington the American Experience insults the intelligence of every thinking American. Maybe even every unthinking American.

I'll say one thing for the people who dreamed up this doozy of a loser—at least it's consistent with the image our nation's capital has for telling the truth about most things. I can hear the creative types brainstorming now:

“Listen people! I've got it! The American Experience! It's perfect, I mean ... it captures exactly what people expect from Washington: such a blatant, obvious distortion of the truth that, ironically, even though it's complete crap, it's true!”

Get real, people. Lose the tag line.

It's what I like to call a “gag” line—in both senses of the word. It's a joke and it makes me want to toss my cookies.

This tagline is the kind of “clear-skies”, “no-child-left-behind”, “axis-of-evil”, spin-doctor crock-crapola that gives brand-strategy messaging a bad name.

Branding? I don't think so.

And if the nation's capital is that bad, then what of the nation, which has no single department to oversee its brand? Nothing markets the USA internally, and as you might learn in Branding 101, no brand works without internal marketing before external marketing.

Freedom and liberty are still marketable values, and these can be so well tied to any marketing done by the United States. During the Reagan era, the marketing was done relatively well. Even with the President's father's term, the Gulf War was marketed well, along the lines of Kuwaiti freedom from an Iraqi aggressor. Defence, even of another, is easier to market than war.

The concern comes with the misunderstanding—or misdeeds, de-

pending on your political affiliation—of the current administration’s foreign policy, which probably provides the greatest thrust for anti-American sentiment. In New Zealand, Republican administrations do seem to be regularly met with negative press if one compares the lack of outrage over President Clinton’s decision to enter Kosovo without a UN resolution, and the serious outrage over President Bush’s decision over Iraq.

The goodwill the US had with 9-11 seems to have faded into history if I look at the mood here, though of course we are still touched by the individual stories and tragedies.

But the second element is more clear-cut. American commerce, from the likes of Wal-mart et al, give a negative image of the United States abroad. Where, once upon a time, the likes of S. C. Johnson would be positive because of its family values, today’s American company is associated with doing little for the environment. Despite the efforts of ethical American firms engaged in social responsibility, the companies that spring to mind with being leaders from their nation are Coca-Cola and McDonald’s. Both were grilled by politicians in September 2006 for contributing to childhood obesity, and the fact both companies are American may not be a coincidence.

It stresses the need to not only engage in corporate social responsibility, but to be seen doing so.

Right now, after all, the trend is not about monolithic brands doing good, but niche brands breaking through glass ceilings. So bigger firms have this obstacle to fight, at least till a sense of corporate branding rationalism—how’s that for a new term?—re-emerges.

That could happen if a large enough company can be seen to do good, and others wish to be seen to be aligned to it. Bill Gates may well have kicked off yet another revolution in CSR, with his and his wife’s Foundation. That’s something we could not have predicted five years ago when the Medinge Group branding think-tank came up with the idea for *Beyond Branding*. Microsoft? Aren’t those the guys who made dodgy operating systems?

Back then, Simon Anholt (I followed) spoke of the E-initiatives programme from Hewlett–Packard, about equipping third-world nations with IT infrastructure, and how that was compatible with its obligations to Wall Street.

These are great American initiatives, but neither is tied to the image of the US as a whole. If anything, the Gates Foundation highlights where American governmental efforts and those of American big business fall short—Mr and Mrs Gates are seen as world citizens, transcending borders, just like their causes. Unless you followed U2 or rock, you’d have to think twice about where Bono comes from.

Somehow, they may be emerging above their countries of origin. Maybe the Gateses and Bono and Angelina Jolie are world citizens. And maybe nations are beginning to lose meaning in this interconnected world of ours, where we reach out to other individuals, because of who they are, and not whose passport they hold.

This is not as ridiculous a proposition as it first appears. Wally Olins wrote in his *Trading Identities: Why Countries and Companies are Taking on Each Other’s Roles* that governments were adopting the brand techniques of corporations, and, as they took over former public duties, corporations were beginning to brand like nations. It was arguably the first text of the whole nation branding dialogue.

So if government departments are now looking like corporations, who is charged with branding the nation? When I spoke to Wally in 2000 about this, during a trip to Australia, he admitted that plenty of governments could not decide which department should oversee nation branding. There are some marketing campaigns to stir up patriotism, but there comes a point where the die-hard cynics of today’s audiences will reject those messages—a trend that has already begun among Generation Y.

Generation Y itself may understand personal branding more, too, themselves taking on the characteristics of corporate marketing. They have enough examples: *The Apprentice* and other reality TV shows keep reinforcing the idea that they need to stand out in order to become

celebrities or winners; cvs are now designed, and not typed, and paper choice and fonts have become their province and not that of the stationer. So should they still identify with a nation, or with a bunch of sponsors and brands that state who they are as people? Politicians, after all, get donations from their corporate backers; movies work with paid product placement; so why not people?

So, what if nationhood is rejected altogether? Al-Qaeda and its mob see things along religious lines, not that many Muslims agree with their idea of Islam. And if Americans feel a dissociation with their nation brand, because each election seems to reveal a deep partisanship within the electorate, then those who have commercial positions of power might just see their conduct as transcending their nationality and their borders. The 1990s already saw the emergence of the idea of a unified planet, brought together via the internet. Will the world citizen be next, and will one-world government—the dangerous-to-some idea that comes from that—follow suit?

# 7

## Moral globalization in the 2000s

IN *The Republic*, an East Vancouver-based newspaper, Kevin Potvin linked globalization to terrorism in July 2006. And it is not the first time these two concepts have been connected—in February, I came across an Iranian news agency that advanced similar arguments, from the point of view of a host country.

The Mehr agency, on February 5, wrote:

[T]he theory of globalization has been presented to the world in a quite deceptive way. The advocates of globalization have usually encouraged other countries to support globalization, saying that we are now living in the global village where God-given facilities and natural resources should be shared by all the inhabitants of the world.

However, in reality, their main aims are to devour the natural resources of underdeveloped and developing countries and to make those countries eternally dependent.

The argument is not without merit: globalization, or at least the abuse of host nation workers resulting from global economic forces, has caused resentment, and a widening gap between rich and poor nations. Norman Macrae, former deputy chief editor of *The Economist*,

predicted as much years ago—and it is coming to pass, albeit expressed in non-economic events.

Niall Ferguson wrote in the *Los Angeles Times* in April:

The last time globalization died, some historians say, it was an American backlash that killed it. A century ago, the world economy was in many ways just as integrated as it is today. Migration rates were comparably high, as was trade in relation to output. Capital flows today are bigger in relative terms, but a century ago they were more evenly distributed between rich and poor countries. After 1914, however, globalization fell apart, and by the 1930s the world economy had fragmented—with disastrous consequences for growth and employment.

The great disruption caused by World War I certainly did a large part of the damage, sinking thousands of tons of merchant shipping and severing international telegraph cables. Even before war came, however, globalization was already dying the death of a thousand legislative cuts. As early as 1882, the United States had introduced the Chinese Exclusion Act, the first of a series of measures designed to restrict immigration to white Europeans. Quotas for other ethnic groups were introduced between the wars so that by the mid-1930s, the flow of new immigrants to the U.S. had all but dried up.

In the 1930s, the Depression had seen to a dangerous economic course. By the end of World War II, economists like Keynes had looked at ways that the state could create progress, to prevent some of the errors of the past.

By the 1960s through to the 1980s, the managers who held more sway in western economies began to abandon Keynes in favour of monetarism—a movement which gave rise to the corporate raiders of late-1960s Britain (such as Slater Walker) and Rogernomics in New Zealand.

Some of the monetarists had a point: there were inefficient state enterprises that needed reform, but in proclaiming their new edict they threw the baby out with the bath water. The state was to be rolled back, with subsequent effect on branding. Private enterprise began taking

on the trappings of state, with their strategies affecting the welfare of everyday people (to wit, Wal-mart); while the state began looking more commercial, the few state enterprises needing to compete in a commercial reality.

I am not sure if we have achieved a sense of balance. Those who advocate restrictions on large corporations like Wal-mart, which has been mistreating some of its workers, could also be throwing the baby out with the bath water. The spectre of protectionism, the severing of global ties, the closing of borders, are perilous at best as they restrict the freedom of movement of people, and of their capital. Diasporas sending money back to the old country creating some sense of global equity, or even plain old learning found through international travel, will suffer. How do we cast out the bad, and retain the good, in globalization?

The great sin is not so much the politics behind policies, but the removal of human emotion from them. Humanity wishes to be free, happy, productive, helpful: they are not units of production.

We are at a stage where globalization is real—in that global networks such as the internet, and these blogs, link people of all creeds and cultures together. This is still largely slanted toward richer nations, but the positive forces are there.

Working against these is working against the basic desire of people: to have a united world, free from conflict. The fact politicians spend millions of taxpayers' money to talk to other politicians suggests that dialogue is the way forward. This also underpins the job of all journalists. This is an age where that level of internationalism in dialogue is available to more people than ever.

So rather than fight policy against policy, or even nation against nation, we all should ask ourselves honestly, especially those of us in positions of influence: do our actions benefit that global desire of humankind?

It is a simple question, but obviously not one that is asked often enough, when Wal-mart refuses to sign a pledge to pay maternity leave to Bangladeshi workers—even though it's the law. Or when politicians talk about

restricting access to immigrants, although in Europe, as Mr Ferguson pointed out, they are needed to help fund an ageing population.

There is nothing wrong with creating capitalist global markets and global dialogue, nor is there anything wrong with allowing the state to participate in the market. There is only something wrong when the considerations of humanity are divorced from them.

Plus, there is an unwillingness among global institutions like the IMF, World Bank and the UN to act in the interests of a single planet. Indeed, they now look like a bunch of ineffective old farts—even though, with the general population’s desire for world peace, the planet is more ready to embrace a global society than ever.

What is our solution? A bunch of new institutions? I don’t think so.

Are we, as citizens of the world, ready to step up to the plate, and maybe use technology to do something for the planetary good?

I’m thinking about individuals directing funds where they need to go when it comes to aid projects. But even getting more involved in politics—creating movements through blogs where we can affect local and national politicians. In fact, having politicians who are bloggers themselves, and putting our efforts behind them.

Politicians have already tried to control the internet for their purposes, not just in terms of regulation but creating borders online to reflect those offline. When the *Los Angeles Times*’ Patti Waldmeir reviewed *Who Controls the Internet? Illusions of a Borderless World* in May, she reminded me that the powers-that-be managed to corrupt the original, ideal vision of the internet, to have borders and ill-functioning institutions reflected online.

But there are still more people *outside* of the controlling, censoring institutions than inside them. Provided we can come together with a vision of an internet that brings freedom to all, the broken institutions of old can be weakened and done away with. And we then need to subconsciously practise that ideal every day.

Waldmeir wrote:



It all started in the last decade of the last century, when the conventional wisdom was that globalization, fueled by the Internet, would bring democracy to peoples around the world and defeat all the tyrants. The theory was that like-minded people could come together in cyberspace to govern themselves without the help or hindrance of national governments. The existence of such communities would fatally undermine the power of traditional territorial authorities.

It's still a useful vision, and when one views participatory Web 2.0 sites such as blogs, I believe we are still changing the world. Media have already changed because of citizen power—to wit, *Snakes on a Plane* and RATHERGATE—and the less efficient, more dishonest institutions are next. The only thing preventing us is the lack of education and awareness as to what a righteously motivated human race is capable of.

I know these little steps aren't going to replace the IMF, the World Bank or the UN overnight. But if we get things right at the citizen level, the higher levels will work themselves out. If these institutions become irrelevant, something needs to fill the void. And those of us who have the wealth and these blogs and the technology seem the best equipped to step up to the plate and create a new system of one-on-one (or community-to-community) relationships.

One acquaintance of mine, who worked for some UN-related institutions, said with pride how multilateral agreements saw to the use of cellphones internationally. How you can call in one country and have it supported in another.

Big deal. I don't use cells, so the agreement is unimpressive. It doesn't exactly help those too poor to own cellphones, either.

It seems to me that if it is for their own convenience and luxury, then multilateral agreements are easy. Anything beyond that seems hard.

I wonder if the east will do a better job as it ascends, notably India, the world's largest democracy and potentially the next free superpower.

I STOP SHORT AT CITING the People's Republic of China, even if the Shanghai senior high syllabus changed in September to emphasize the

economy and globalization—because I am not convinced that Beijing can do the sort of job that Mehr believes globalization should be about.

In April, Beijing did call for economic integration with the Republic of China, citing globalization and investment opportunities.

That sounds good on paper, in the climate of technocracy and globalization. But it masks the game of silly buggers that the Reds have been playing, including forcing a downgrading of the Republic's WTO status, as recently as this year. That is not the action of an economy that wants to have bilateral relations, much less one it wishes to have integration with.

The Republic—Taiwan, if one were to refer to the island where it is exiled—naturally has concerns about freedom. Since 1949, the Politburo has shown itself incapable of governing, losing a third of its usable farmland, destroying much of history, and continuing human rights' abuses. Hardly surprising when the people themselves do not have self-determination, which, the last time I read it, was a requirement for a UN member.

But, supporters (like New Zealand's Labour government) argue, Red China is a different place. It has opportunity and capitalist tendencies. They ignore the intellectual property concerns (admittedly, there have been some severe and high-profile crack-downs), or the fact that joint ventures require state involvement. Licensing (to start a venture) remains tough. However, most telling has been Red China's management of the Special Administrative Region—Hong Kong and Macau.

Hong Kong has been through three recessions since 1997, when it was "handed back". Macau has fared a bit better, buoyed by gamblers coming down from the mainland, probably with funds obtained questionably. It's now bigger than Las Vegas as a gambling town.

But in both cases, there is no democracy. Chris Patten, the last governor of Hong Kong, attempted to usher in democratic freedoms through a Legislative Council. Red China disbanded it, putting in a council which is two-thirds appointed by Beijing. Only a third is elected, effectively powerless.

The Republic will be looking on this with the usual sneering suspicion, seeing that the recessions are vindications of its stance.

But there are additional reasons to resist the call of integration. Red China's record in human rights is known to most people. In addition, its use of sweatshops should be counted. It is on the worker, naturally, that the Red economy is founded—the Politburo sees the billion people as cheap units of production. For the Republic to integrate means endorsing this view and sacrificing something dear to its own philosophy.

The expert calls by the state media are based on the same arguments as used by the west in convincing us about free-market economies. Fine. I accept many of them myself, but not all. Not when they go so far as to push wages down to mere cents per hour, as companies push for ever-cheaper production methods. Not when things lead to the abuse of people. Not even animals are expected to work, at least in the west, for 16 to 18 hours on their feet, but many a Chinese worker are.

In this climate, the Republic of China, and indeed other Confucian economies such as South Korea and Singapore, have had to found their economic expansion on a mixture of innovation and production. As it became too tempting for the latter not to be outsourced, these economies looked to places like Red China. Not great, but tolerable to a degree.

However, further integration has a danger. Greater involvement with Red China has not been shown to be beneficial for innovation. While a corporation finds production cheap and the profits healthy, as is the case when one initially deals with Red Chinese factories, it loses its incentive to innovate. Its trade secrets shift to the state-controlled firms. This is not a strong argument: it can be corrected by corporate-cultural shifts. But unfortunately, this is the reality: only firms that are strong with their cultures can stand it, and we know that anywhere in the world, these are in the minority.

We need to examine the statistics. The Republic, which is already well exposed to Red China in terms of private investment, did poorly economically last year. South Korea and Japan, less exposed percentage-

wise to Red China, fared far better. Economic ties have not served the Republic well.

Engagement with Red China is necessary if we are to steer it into a freer society and, hopefully, lead all Chinese people (whether Han, Tibetan, or any other group) into self-determination. But to follow the advice of state agencies, blindly accepting propaganda (oops, I mean, journalism) in the east and west of Red China's economic miracle (based on figures released by the Politburo itself), and not questioning articles that make the Republic appear like a petulant, rogue island, are fatal to the global economy.

It weakens one image that all Chinese business people would like to have, I believe: that we are a honourable people who can show that globalization can be done ethically and morally, to the benefit of all. I see the goodwill that expatriate Chinese like myself washed down the toilet each time I read more junk from Beijing, designed to trick the ignorant westerner.

And all it takes for companies in the Republic, or indeed, anywhere, is to think first of people, then profits—but alas, such simple shifts in ideals are too hard for so many corporations, as their intellectual and economic advantages are surreptitiously shifted to the Red Chinese state.

THE CHINESE are not alone in being less than ideal participants in globalization. The French delivered a curve ball in June, trying to hold on to an idea of European dominance.

French interests in June were upset that an Indian steel firm, Mittal, might buy up Arcelor, controlled by French and Luxembourgish interests. And Arcelor has sought help from a Russian company, Severstal, to which it has ceded a third of its shares.

I got the awful feeling the colour of the CEO's skin is what has been unpalatable to opponents. Why else would Severstal be OK? Is Russian-led globalization preferable to Indian-led globalization? Is Russian politicization not more dangerous than Indian management?

Meanwhile, French companies go all over the world buying up as-

sets—many of the brands New Zealanders associate with domestic food production are French, such as Eta, Griffin's and Just Juice. Renault has a controlling stake in Nissan. France Telecom owns Orange.

This followed the Dubai Ports World deal that caused a great deal of controversy early in the year. Wikipedia summarized it thus:

The DP World controversy began in February 2006 and rose to prominence as a national security debate in the United States. At issue was the sale of port management businesses in six major U.S. seaports to a company based in the United Arab Emirates (UAE), and whether such a sale would compromise port security.

During the 2004 US presidential campaign, the overall message we foreigners got was this: President Bush is a nationalistic xenophobe, a dumbass who doesn't know his foreign capitals, and, if re-elected, will totally end any cooperation with other nations. Bush, they told us, was a down-home renegade that hated everybody except the US of A.

They also told us: Senator Kerry, on the other hand, has the support of international leaders. He is more moderate, willing to cooperate and listen to other nations' viewpoints, and at the UN, better represents the idea of America as a partner rather than a bully.

Maybe the comparison is true, maybe not. But here's the impression we are getting from the Democrats' brand now: they hate foreigners.

They might not. Sen. Kerry probably has high-level friends in other governments who support him. I dare say Sen. Clinton does. The world watched *Commander in Chief* on TV and was getting used to the idea of a female 45th president, whether she's black or white. But this whole mess about a company in Dubai wanting to acquire a British company that currently operates some US ports seems preposterous.

For the Democratic Party, it makes everyone there look like xenophobes, unable to see the United Arab Emirates as a cooperative, modern country which not only is a US ally, but, more fatally, it reverses any of the goodwill Sen. Kerry gained during his campaign.

In fact, the news portrays the Democrats, including Sen. Barbara

Boxer (whom some non-Americans felt gave the Secretary of State a good grilling during her confirmation hearings), as being unable to get past the word *Arab* in United Arab Emirates; and that by bringing up 9-11 and the fact that two hijackers were from there, they have become guilty of the very thing they criticized the President about: milking a tragedy for political gain.

By all means, attack this UAE company if it can be found that it was complicit in terrorism or any other crime, and stop this acquisition. But maintain the American tradition of guilty till proved innocent.

The United States has made much of its headway through acquisitions of foreign companies, and the UAE is playing by the same rule book. The legal system in the UAE is actually a combination of traditional Shari'a, Egyptian law, the civil law tradition and common law—the last concept being shared with the US. In other words, it's a pretty global legal system that is adhered to well.

What next? Get all foreigners to divest their US interests and sell up? It's the message being sent around the world in non-US media: we can't see beyond your ethnicity. And even if you've seen the error of your ways (allegations that Al-Qaeda financing went via the UAE; though remember, too, Al-Qaeda was playing the Wall Street markets, too) and are now an ally, we won't forgive you. I wonder if President Musharraf of Pakistan is wondering about the Democrats right now. Will Britain be next, because, after all, Richard 'I love my shoes' Reid is British, and there were up to nine Britons held at Gitmo?

As a non-American who has no say in whether the Dems or the GOP gets in to the White House, I welcome those who paint a picture of tolerance, not xenophobia. This is where the Democrats got so many brownie points two years ago—and where the Republicans did not win many international "hearts and minds". In New Zealand, there were expatriate Americans proud to display their Kerry-Edwards banners. I saw no one display a Bush-Cheney one.

I realize that if you are a diehard Democrat, you are unlikely to switch

sides due to this mess; and the same applies to diehard Republicans. However, as a superpower, the eyes of the world watch. And this one incident makes us wonder just how globally minded either party is. Patriot Act on one side. Xenophobia on the other. Keep up the political pettiness, and we might begin to remember that Secretary Rice is multilingual.

Things do appear harder to swallow for some western interests when once-abused countries play the globalization game—one that the west has played for so long, not always particularly well when it came to the welfare of the host nations' citizens.

Thus, globalization is a tricky beast, for it has not succeeded under an exploitative model, nor has it worked when it comes to dealing with Red China. Politics and big business have a great deal to answer in both these cases.

The solution, logically, must lie with everyday people, and their wills—and how they might be able to bypass their institutions.

Maybe by ourselves, or on our street, or maybe in a small consortium of active do-gooders, we can make some changes when our institutions mess up. We're better prepared to do this than at any time in history.

I HAVE BEEN A SUPPORTER of globalization in terms of sharing, operating as a single planet, spreading ideals and high standards. There are plenty of idealists who see globalization in terms of the 1990s' dot-com growth, information and freedom of speech spreading to every corner of the globe, the world united in solving problems. Through my readings, I have seen that there is a connection between the freedom of capital and the movement of people, and economic prosperity.

Ask around: most people say they want world peace. Not just beauty queens. And most people believe unity is something we should strive to achieve, even if the UN doesn't seem to be the body through which this can be done. I believe the internet is, or at least the foundation for a greater global movement, linking people together.

If so many of us believe this, then why doesn't the world begin to shift? Well, I say the world is shifting—we just need to make sure it shifts in the right direction, with our values intact.

As we become more aware that people are helping one another across the 'net—from funding schools in Africa to campaigning for the release of journalists—then the smaller these once insurmountable problems seem. The Bill and Melinda Gates Foundation, buoyed by Warren Buffett's funds, is significant not just for solving some of the world's poverty-related issues, but for showing that the few can change the lives of many.

It wasn't that long ago that people said Bill Gates was the anti-Christ, dissing him because Microsoft was too big. The chorus is still there, but it is quieter, because he and his wife's foundation has proven to deliver more than empty promises. It wasn't too long ago, either, when we believed that we had to go to a bank or Western Union to send someone some money. In 1995, most of us got the news through printed newspapers or TV programmes, restricted to our domestic media.

Jim Hancock asked himself, on his blog at [jimhancock.blogspot.com](http://jimhancock.blogspot.com), how we can sustain movements that we know the world needs. H and the International Justice Mission (which does sound like a league of comic-book heroes) went one further:

The solution was finding a way to see the world through the eyes of someone who wasn't so numb to pain and hope. That turned out to be four American kids who were alert and articulate (and possessed a significant emotional vocabulary). We took them to South Asia for ten days—to look over their shoulders and into their eyes as they became eyewitnesses to oppression.

The IJM, which has been successful at extracting children out of forced labour and has done other noble things, hosted the trip.

The result is a video-based curriculum that Jim produced called *The Justice Mission*. It has a Christian perspective, which oddly turns some



people off in secular societies—and it shouldn't. The motivation is exactly in line with what we all want for this planet: fairness, justice and peace.

Jim feels it's only one step because the numbers are too great, but that we should focus on the task at hand, rather than the statistics. I hope it is another effort that begins changing the world for the better, because the over-segmentation of western markets means it is harder for huge movements to take place these days. Now, if only we could network all these movements together at one site, and to do so equally, so we know we are not alone.

The optimistic view can still be achieved, and if there is a silver lining to all of the current conflicts on this planet, it is its exposure of the forces that globalists like us have to encounter and fight.

Fifteen years ago, they would have looked impossible—had we even known about them. Now we just think they look hard, and we have to make a plan of attack. In another 15 years' time, they might be problems we can solve by clicking a button online and having a conversation.

If we don't lose sight of the idea that we all mostly want the same thing, that we can achieve them together, and that our real, shared values are going to be the drivers.