

INTRODUCTION

INTRODUCING THE CULTURES AND GLOBALIZATION SERIES AND THE CULTURAL ECONOMY

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Why the cultures and globalization series?

The relationships between the world's cultures and globalization are inadequately understood. While often reduced to the impacts of globalization on cultures, these relationships are far more complex. For cultural processes themselves affect globalization, changing its patterns and trajectory, manifesting themselves in many other spheres that mould the daily lives of billions (Ray, 2007). The culture of consumerism or the influences of religion are cases in point.

This complex interplay between cultures and globalization is at once unifying and divisive, liberating and corrosive, homogenizing and diversifying. The relationship also crystallizes both positive aspirations and negative anxieties. The interplay transforms patterns of sameness and difference across the world, and modifies the ways in which cultural expression is created, represented, recognized, preserved or renewed. It also contributes to generating powerful new culturalist discourses that evoke 'the power of culture' in domains as diverse as economic development, the fostering of citizenship and social cohesion, human security and the resolution or prevention of conflict.

Yet there remains a major knowledge gap as regards the relationships between cultural change and globalization – a gap that is culturally misleading, politically perilous, socially unsustainable and economically constraining. The *Cultures and Globalization series* is designed to fill this gap. The first volume of this *series*, entitled *Conflicts and Tensions*, appeared in 2007. In our Introduction to that volume we spelled out the antecedents and rationale for the project, as well as the conceptual framework we sought to build it upon, and the methods we intended to deploy (Anheier and Isar 2007b). Some of those thoughts need to be reiterated here in order to situate the project as a whole; we refer the reader to that inaugural volume for a fuller treatment of the concepts, frameworks and the core issues.

While a substantial evidence base has been developed on the economic, political and social dimensions of globalization, the cultural dimension continues to be the object of many unsubstantiated generalizations and unquestioned assumptions. The complex mutual relations between cultural change and globalization – the two-way impacts – have remained largely unmeasured and unanalyzed. One reason for the neglect at the global level is that conventional understandings of culture are still connected principally to the sovereign nation-state. However, today, this nexus of culture and nation no longer dominates: the cultural dimension has become constitutive of collective identity at narrower as well as broader levels. As Paul Gilroy reminds us, the idea of culture 'has been abused by being simplified, instrumentalized, or trivialized, and particularly though being coupled with notions of identity and belonging that are overly fixed or too easily naturalized as exclusively national phenomena' (Gilroy, 2004: 6). What is more, cultural processes take place in increasingly 'deterritorialized' transnational, global contexts, many of which are beyond the reach of national policies. Mapping and analyzing this shifting terrain, in all regions of the world, as well as the factors, patterns, processes, and outcomes associated with the 'complex connectivity' (Tomlinson, 1999) of globalization, is therefore a main purpose of this *Series*.

The knowledge gap as regards cultures and globalization is also based on an acute paucity of comparative information. In response, each volume of the *Series* includes a significant data section based on innovative 'indicator suites', represented with the help of state-of-the-art information graphics (see Anheier, 2007). We are, of course, aware of the still inchoate state of cultural statistics and, *a fortiori*, of the enormous difficulty of constructing cultural indicators, even at the national level. Using existing cultural statistics just to make cross-national comparisons is more hazardous still, even among closely related countries such as those of the European Union or the United States and

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Canada. Therefore, in a departure from conventional approaches, we will neither seek to list data by country, nor strive to have a uniform table layout. Instead, we have developed the concept of 'indicator suites' to present data on specific aspects of the relationships between culture and globalization. A basic premise of this approach is that much information on culture and culture-related facets is already 'out there', but is not yet systematically assessed, compiled, analyzed and presented. Another is that interpretative presentations using information graphics are better at facilitating understanding of many facets of the relationships between cultures and globalization than 'raw' data in tabular form.

As befits a project of global aspiration, whose genealogy began at UNESCO in the mid-1990s, the *Series* is intended to give voice to different issues and opinions emanating from as many different regions of the world as possible. It is intended to be 'ecumenical' in its embrace of diverse theoretical and disciplinary positions. Although each volume may not be fully 'representative' of the diversity of regional perspectives and points of view, our hope is that the *Series* as a whole will be synoptic in its geo-cultural coverage. And although the project is academy-based, each volume will include contributions by non-academic authors: artists, cultural activists, journalists, etc.

Elements of the conceptual framework¹

Each volume of the *Series* focuses on a specific set of 'culture and globalization' issues as they are perceived, experienced, analyzed and addressed in different geo-cultural regions of the world. Contributions by independent researchers and thinkers, hailing as we have said mainly but not exclusively from academia, will constitute the multiple prisms through which these phenomena will be taken up. Given this collaborative approach, each volume could emerge as little more than a compilation of discrete chapters. To counter this risk, the preparation of each volume is based on a conceptual framework that is discussed and shared with contributors. This conceptual framework in turn borrows from existing as well as emerging 'models' and analyses of cultures and globalization and of the shifting ground on which cultural change is occurring. It not only informs authors, but also guides our thematic choices: in 2007 'conflicts and tensions', this year 'the cultural economy', in 2009

'cultural expression, creativity and diversity' and in 2010 (tentatively) 'heritage, memory and identity'. The framework will also direct us towards a systematic exploration of core themes and critical issues, help build a permanent 'multilogue' across fields, disciplines, countries and regions, so as to provide better conceptual and empirical understandings of how globalization and culture relate to each other. An overriding concern is to provide arguments and perspectives that might be useful to others in developing policy options.

Since 'culture' is directly or indirectly related to virtually every aspect of the human condition, as a concept it is even broader and more capacious than 'economy' or 'society'. Kroeber and Kluckhohn's 281 famous definitions of 1952, a classic reference, come to mind immediately; indeed this is not surprising, since within various disciplines – anthropology and sociology in particular – there have been many attempts to stabilize meanings in the interest of a technical vocabulary (Williams, 1976). Having entirely escaped academic control in recent decades, however, the notion has become even more protean, especially as cultural difference has come to be consciously mobilized in political ways by individuals and groups.

The word 'culture' is thus the object of a complex terminological tangle. With no single definition generally accepted, differences, overlaps and nuances in meaning complicate rather than facilitate rigor and communication in the field. Various disciplines deal with culture and regard it as their 'terrain', however inclusively or exclusively: anthropology, political science, history, sociology, the law, and, of course, the humanities including cultural studies and art history. These disciplines have become institutionalized as such in the academy, and have come to function as rather closed intellectual 'silos', as it were, frequently discouraging multidisciplinary approaches and cross-disciplinary dialogue. Within each discipline, we typically find multiple approaches in terms of focus and methodology, such as the split between quantitative and qualitative sociology, or between cultural and social anthropology. For brevity's sake, we will refer to the sum of academic disciplines concerned with culture as the 'cultural disciplines'.

It is always difficult to avoid such conceptual discontents in these cultural disciplines and so we do not intend to adopt a single set of omnibus concepts, much less a single lens. We know that the many contributors to this collective endeavor will each work with very different concepts of culture – for

the reasons already outlined above. Also, the cultural disciplines, as well as cultural operators, activists and policy-makers, tend to oscillate permanently between variants of the 'ways of life' notions of culture and 'arts and heritage' ones. We have nevertheless initiated our work on the *Series* with an agreed understanding of the terms we ourselves shall be using.

Culture in the broad sense we propose to employ refers to the social construction, articulation and reception of meaning. Culture is the lived and creative experience for individuals **and** a body of artifacts, symbols, texts and objects. Culture involves enactment and representation. It embraces art and art discourse, the symbolic world of meanings, the commodified output of the cultural industries as well as the spontaneous or enacted, organized or unorganized cultural expressions of everyday life, including social relations. It is constitutive of both collective and individual identity.

Closely related to culture is the concept of **communication**, which refers to the ways in which meanings, artifacts, beliefs, symbols and messages are transmitted through time and space, as well as processed, recorded, stored and reproduced. Communication requires media of storage and transmission, institutions that make storage and transmission possible, and media of reception.

The notion of **globalization** itself, almost as frustratingly as the term 'culture', is the object of multiple theories and definitions. In this *Series*, we shall use the term to refer to the worldwide interconnections and interdependencies that all have deep origins in world history but today are being increasingly and ever more rapidly brought about through the movement of objects (goods, services, finance and other resources, etc.), meanings (language, symbols, knowledge, identities, etc.) and people across regions and intercontinental space (Warnier, 2004). This notion of globalization as 'time and space compression' is not a normative concept: not a 'business buzzword', nor a tool for 'miracle growth', nor the result of an evil plot (Chanda, 2007: 268), but simply the global connectivity that characterizes the way we live ever more closely 'bound together' in the world.

The cultural economy

The inaugural theme, 'conflicts and tensions', addressed the broader, 'ways of life' or identity-based understandings of the culture concept as

used in the social and human sciences. The exponential growth in affirmations of or claims to cultural difference have given rise to multiple 'conflicts and tensions' in recent years. These loom large in current anxieties. As we put it, 'behind the concern for "culture" that is increasingly evoked in contemporary public debate lurks the specter of conflict: the cultural dimensions of conflict on the one hand, and the conflictual dimensions of culture on the other' (Anheier and Isar, 2007b: 19).

By contrast, the 'cultural economy' topic, for its part, partly embodies anxieties of a different sort, largely related to the specter of cultural domination. For example, the World Commission on the Social Dimension of Globalization, referring to the impact of the global information revolution on local cultures and values across the world, expressed widespread concern at the overwhelming dominance of the cultures and values of the United States, and other Western countries: 'The fear is that constant exposure to the images of Western lifestyles and role models could lead to tensions which would be both culturally and socially divisive' (World Commission on the Social Dimension of Globalization 2004: para. 222).

So how have the terms of debate developed with regard to the 'cultural economy'? How does this debate intersect with our key lines of engagement regarding the cultures and globalization interface? As with practically all the terms associated with the protean notion of 'culture' the notion of 'cultural economy' is umbrella-like, used to embrace a range of different understandings. Our working definition of the cultural economy for the purposes of this volume defines it as an economic system for the production, distribution and consumption of cultural goods and services through market as well as non-market mechanisms. As to what constitutes the 'cultural', we emphasize, as does Allen Scott in chapter 27, 'all those forms of economic activity producing outputs with significant aesthetic or semiotic content, or what Bourdieu has characterized as symbolic outputs'. In other words, our topic is what Scott refers to as the *cognitive-cultural economy*, meaning an economic order that is intensely focused on mobilizing the knowledge, creativity, cultural attributes, sensibility, and behavioural characteristics of the labour force, in combination with a technological infrastructure based on digital computation and communication.

At the outset, we should acknowledge that, epistemologically speaking, the idea of 'the economy'

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that underlies our working definition is not without problems. We may well be missing something important by focusing exclusively on a 'separate sphere of social life called "the economy", a sphere ... lorded over by distinctive and systemic rules and driven by the imperatives of resource production, allocation, and distribution', as Amin and Thrift (2004: x) put it. They fault conventional economics for 'honing or improving accounts of an un-problematically presented economic realm (e.g., value, profit, distribution, surplus), rather than challenging the ontological status of the economy and the dominance of an economic worldview' (Amin and Thrift, 2004: x). Neoclassical economics does not see the cultural, the social and the economic woven together as a single fabric – recall Karl Polanyi's economy embedded in society – and therefore does not question the significance of economic efficiency seen in isolation. The implications of such views have not been thought through sufficiently, however, and distinguished from various other approaches to the economic that have emerged in the course of the development of economics as a discipline. It is useful, therefore, to review the key features of these other approaches as the two authors have captured them:

- The first approach stresses the centrality of *passions*. Pre-nineteenth century European economic thought was often concerned with economic principles as a means of overcoming what was seen as a surfeit of passions in the conduct of daily life, while in the course of the nineteenth century, a romantic reaction to this civilizing conception of the economy set in. The economy itself came to be seen as a negative passion for accumulation of the kinds revealed in hoarding by misers and in the theoretical writings of Marx.
- The second approach is loosely related to the first, in that it focuses on *moral sentiments*, an issue as explored not only by Adam Smith in connection with moral value, but also present in the trading practices of faith-sensitive Muslim entrepreneurs as well as in a long line of socialist thinkers.
- The third approach identifies *knowledge* as a key motive force, as in the early twentieth-century writings of Thorstein Veblen ('conspicuous consumption'), who argued that because of the strong interdependence between 'habits of thought' and 'habits of life', there can be 'no neatly isolable range of cultural phenomena that can be rigorously set apart under the head of economic institutions' (cited in Amin and Thrift, 2004: xvi).
- The fourth approach, drawing on the work of Darwin, Lamarck, and Spencer, stresses that learning and economic change in general are *evolutionary*, a metaphor with a long history of use and abuse in economic thinking since the mid-nineteenth century. Learning (and learning how to learn) is seen as a means of transmission of culture and processes of evolutionary transmission provide the templates that guide economic behaviour. Evolutionary thinking made it possible to inject a historical dimension into a predominantly equilibrium-based economics, thereby also making a place for the kind of dynamics that included cultural explanations.
- The fifth approach considers the kinds of *disciplines* necessary to produce competent economic actors. It includes the ideas of E.W. Taylor, who was mainly concerned with minute analyses of bodily movement as ciphers for increased productivity and other forms of bodily accountability that paid more attention to non-quantifiable factors such as worker satisfaction, which, it was argued, were themselves important aspects of productivity.
- The sixth and final approach has read economies as *symptoms* of general economic modes or models that marked cultural life since at least the time of Adam Smith. These readings allowed Marx and Engels, among others, to re-inscribe how cultures see themselves as a single functioning economic system, which, in turn, is returned to these cultures as an established economic and cultural fact. They could thus project nineteenth-century British capitalism – despite all its peculiarities – as a world economic standard and its class culture as the only culture.

As Amin and Thrift again observe:

All these lineages have continued to exist, but as a disorganized field; one that has been marginalized by the weight of marginal (sic) economics and computational knowledge, by political economy and the rationality of structure, and by the general neglect of economic

processes within cultural studies. Though certain organized sub disciplines have emerged as a partial counterweight – and most notably economic sociology, economic anthropology, economic geography, and economic psychology – they have exerted very little influence on mainstream economic thought. However, there is an opening here that might be widened... (2004: xvii)

In other words, our apprehension of the economy would be much richer if it could truly encompass the processes of social and cultural relations that accompany, are impacted by or encompass the economic or, as Pratt states in his Chapter 2 as ‘the set of socio-economic relations that enable cultural activity’. Seen in this holistic way, then, our exploration would need to embrace the insights of fields such as economic sociology, cultural studies, social studies of finance, business and management studies, economic anthropology and cultural geography, and methodological strategies as diverse as semiotics, ethnography, social studies of science, and theories of practice. Such a broader approach would make it easier to analytically embrace a range of types and regimes of cultural production in all regions of the world, whereas much of the literature on the subject is based on more specifically economic realities in the post-industrial, post-Fordist,

‘knowledge economy’ contexts of the global North. In other words to explore cultural industries *stricto sensu* (many of which are rather more incipient than developed in the non-Western world) as well as artisanal endeavours in fields such as handicrafts, exploitation of the intangible heritage, communal cultural expression, etc. As well as to understand the field as made up of symbolic production systems of collective representation that are central in forging visions of public identity.

A case in point is the recent work of James English, who in *The Economy of Prestige* (2005), looks at the economic dimensions of culture in such a plural perspective, when he analyses the contemporary convergence of prizes and cognate awards in literature and the arts – as a new economy of prestige. He addresses the rules or logics of exchange in the market for cultural capital, showing how ‘art’ has come to be closely related ‘to money, to politics, to the social and temporal’ (English, 2005: 3) and explores the nature of cultural power and how this form of power is situated in relation to other forms. This cultural economy is now organized at a global level as well (see Box I.1). Without expecting every contributor to subscribe to such an approach, its premises underlay the brief we proposed to authors and we are gratified by the ways in which they have risen to the challenge.

Box I.1 ‘The Arts as International Sport’

(An extract from Chapter 11, pp. 259–61, of *The Global Economy of Prestige* by James English)

Today it is more than ever apparent that the economy of cultural prestige is a global one, in which the many local cultural markets and local scales of value are bound into ever tighter relations of interdependence. Not only can we observe the tendency over the past half-century for successful European and American prizes to be reproduced by imitation in one country after another, serving as formal models in an increasingly global process of cultural diffusion and adaptive appropriation (‘the Oscars of Taiwan’, ‘South Africa’s Emmy Awards’, ‘the Catalan Nobel’, ‘the Russian Booker Prize’, and so forth), but, within this McWorld of awards, we can see how the outcome of one prize competition immediately registers as a factor in other, geographically remote ones – the sort of ‘action at a distance’ that, for Anthony Giddens, characterizes the era of globalization. The decisions of the jury at Cannes or Sundance or FESPACO not only influence the selection of films at other festivals worldwide, but they can alter, within minutes, the odds set by bookmakers on the BAFTAs and the Oscars. The Swedish Academy’s choice of a new Nobel laureate is immediately celebrated as a symbolic windfall by those involved in the more local or regional prizes that the laureate can already count among his or her *palmarès*, since it greatly strengthens those prizes’ claims to legitimacy.

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We can readily observe, too, how the most ambitious prizes are more and more obliged to reach beyond national boundaries both for objects of esteem and for (other) sources of legitimacy. The Praemium Imperiale prizes of Japan are fairly typical of the many international ‘super prizes’ that have emerged since the 1970s. These prizes have been conceived on the model of the Nobels, and they share the Nobels’ pretension to global authority. It is thus no surprise that, in 1995 for example, the Praemium Imperiale prizes were awarded at a Tokyo ceremony to a Chilean-born French painter, two French-born American sculptors, a British composer, a Japanese theater director, and an Italian architect. But whereas the Nobels, at the organizational and ceremonial level, remain a relatively insular Swedish affair, the Praemium Imperiale prizes seize eagerly on symbolic support from extranational sources. In 1995, the board of advisors included former heads of state from three countries; the annual press announcement was made in London; and a reception was hosted by the Queen of England. Such institutional arrangements – more reminiscent of the Olympic Committee than of the Swedish Academy – bespeak the existence of a global economy of cultural prestige deeply interwoven with the international circuits of political, social, and economic power.

While we fault neoclassical economics for either ignoring culture altogether or approaching it in isolation, we are equally critical of popularized buzzwords. For this reason, an important concern has been to question the privileged position occupied by now globalized labels such as ‘cultural industries’, ‘the creative industries’, and, most recently, ‘creative economy’ that appear to have colonized the cultural field in its entirety.

These terms tend to imply that the logic of the market-place reigns supreme – but all that it takes for the cultural economy to function? For while market forces have a large and important place, nowhere are they able to deliver ‘the right and the good’ entirely on their own. Sociologists and economists have long pointed out that other Social and Political Institutions have played a key role in the gradual development of market spheres, just as they have studied the limitations and failures of market mechanisms in terms of efficiency, effectiveness and equity. Placing the entire sweep of cultural practice within the market paradigm also implies an unjustifiable faith in what Robert Hewism has called the ‘pseudo-democracy of scorhp and demand’ that is ‘pseudo-democratic because people do not have equal access to the market or equal purchasing power within it. This is both a question of cash, and of cultural capital in terms of education and acculturation.

The vogue terms *we use* often neglect the very institutional and regulatory aspects that make markets possible. They also defy important nuances, which is why it is wise to be wary of their simplifying power. In this particular case, terms like creative

economy or creative industries now *drive* a bandwagon that many ride for ‘fear of being left behind’ (Jeffcutt, 2001: 11). Those who *join the bandwagon* are increasingly both instrumentalizing and instrumentalized; all too often they miss the complexities, the contradictions and the pitfalls of this agenda, as well as the relations of cause and effect that underpin it. At the very least, such terms have to be more precise in delineating how market and non-market forms of creation, production and distribution relate to industrial and non-industrial cultural fields.

Of course, a vast amount of contemporary artistic production, distribution and consumption is industrially *and*, digitally mediated. But because there is also much that is not, it does seem increasingly plain that today everything cultural – not just the market-driven forms – is being forced into the procrustean bed of *economy-driven paradigms and discourses*. Furthermore, since the marriage of culture and economy has been consummated internationally, funding agencies (including, for example, at least five United Nations organizations, international financial institutions and regional development banks – see chapter 7) are now actively investing in the ‘creative economy’ as a way of stimulating local economic growth, developing markets for arts and crafts overseas, or generally seeking to improve the quality of life and attractiveness of cities and regions to international investment capital. In other words, the dominance of economic reasoning is driving a growing range of activities, institutions and practices of artistic and creative expression in the same direction, if only to garner recognition and support.

Box I.2 The language of the 'creative industries'

UK artists and cultural organizations have had to learn a new language to successfully secure public funding. It is the language of business. Over the past ten years the growing requirement for the arts to present themselves as a means to solve social and economic problems, has meant adopting new ways of measuring the value and quality of our work. The application forms for European Structural Funds, regional development funds and local authority funds demand a justification for our activity in a language better suited to the creation of a business park, requiring us to present art not as an intrinsic cultural expression but as a measurement of economic activity.

My organization has found a place for arts and culture within this public funding landscape. To do so we have accessed funds for our activity as an 'SME' (Small to Medium-sized Enterprise) with outputs that include the professional development of other SMEs (individual artists). Our success is evaluated on the 'number of paid hours created' and the 'number of training sessions and reports delivered'. We identify 'how many jobs have been created' through our program and 'how many have been safeguarded'. We 'aspire' to a 'full cost recovery model' with our 'overhead costs as integral to project budgets' and we reassure our supporters that our 'exit strategies' are financially robust. We are accordingly described as part of the 'creative industries' – a phrase which neatly encompasses the notion of art as essentially a business to be bracketed with advertising or entertainment or the sale of antiques.

Within this 'climate of enterprise', few questions are asked by those funding bodies about the intrinsic value or quality of our art and we become complicit, trusting that in the gap between the language of the funder and the desire of the artist we can surreptitiously create a space for innovation and risk. The Structural Funds are now disappearing from the UK and the cultural funds are being squeezed to make room for the Olympics. Where policy increasingly views art as a means to another end, I wonder what new languages we will need to learn to create a space for art in the future.

Clymene Christoforu

Should pragmatism lead us to set such qualms aside? To be sure, there is more to the relationship between culture and the economy than semantics or policy fashion. The danger here is similar to what has been observed with regard to the numerous 'economic impact' studies of culture that were launched in the 1980s: even if the evidence is robust (and often it wasn't, the economic case was overstated), surely investment in cultural projects and programs should not be justified on economic criteria alone. In many instances, their contribution to, say, social cohesion or overall quality of life, cannot be measured along the economic calculus alone, if at all in meaningful ways to begin with. If economic performance were the standard, surely other sectors could outperform culture at some point in terms of job creation, value added or multiplier effect. Would culture then have to cede its place? And what about cultural activities and practices that can't deliver economic returns?

Sounding such a note of caution does not mean rejecting the opportunities available to invest in the

production, distribution and consumption of cultural goods and services when deemed profitable – and also to increase the flourishing of culture itself as well as human capabilities. This indeed was the main thrust of the original 'cultural industries' concept first used in France and at UNESCO in the late 1970s and then, with more international visibility, by the Greater London Council in the early 1980s (Hesmondhalgh, 2007).²

Analysts of this discursive shift have pointed out *inter alia* that the 'cultural industries' included the arts and heritage (including cultural tourism) and the crafts (which are sometimes excluded from the *creative industries* remit), seen within an agenda of economic as well as social benefits: the subsidised arts with an additional emphasis on applied arts practices in fields such as urban regeneration, audience development, community development and the like. The category has 'tended to be a concatenation of the arts and the established commercial or large-scale public sector media', (Cunningham, 2001: 24) developed

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mainly for nation-states around the cultures of nation-states. The 'creative industries' category crystallized later, around the new technologies as well as the 'knowledge economy', and focused more on the commercial sector. The key to this paradigm is the argument that while the industries that drove the urban revolution of the nineteenth century were based largely on the use of raw materials, creativity is now based on knowledge and skills, i.e. human capital and its capacity to generate new knowledge from existing knowledge; the ability to generate new ideas that can trigger innovation and its concrete applications.

By the mid-1980s, ideas such as these were strongly at work in the British *zeitgeist* and, in terms of policy debates, the British Government's Department of Culture, Media and Sport that foregrounded the 'creative' industries notion at the end of the decade in its vision and rhetoric (DCMS, 1998, 2001). This concept has since acquired considerable purchase in the English-speaking world, eventually spreading to continental Europe. As noted, however, in a biting recent critique by a leading scholar, herself British:

...when the arts and culture per se, become the focal point for capitalisation (the logic of late capitalism as Fredric Jameson famously put it), when culture broadly becomes absolutely imperative to economic policy and planning, when art is instrumentalised so that it begins to provide a model for working lives, and labour processes, and when government opens a Green Paper document as it did in 2001 with the words 'Everyone is creative', then it becomes apparent that what in the past was considered the icing on the cake, has now become a main ingredient of the cake... And what had been in the past left to its own devices, e.g. subculture and style, or black expressive culture or the punk avant garde has been plucked, over the years, from obscurity, and is now promoted with tedious regularity under the prevailing logic of the revival, in the window spaces of Selfridges and Harrods almost every season as a leading edge feature of the UK's contribution to the new global cultural economy. Our imagined community and branded national identity now comes to be constituted through practices which are understood to be creative. (McRobbie, 2006: 2)

The economy-driven notion of creativity was truly popularized internationally, however, in the wake of Richard Florida's 2002 bestseller *The Rise of the Creative Class and how it's transforming work, leisure, community and everyday life*. Florida's theses were taken up enthusiastically by many government officials, politicians and cultural activists the world over – and despite the apparent imprecision of the notion of the 'creative class', which stretches across a very broad range of rather different professions and occupations indeed, including scientists, engineers, architects, educators, writers, artists and entertainers. In other words, all those whose economic function is to create new ideas, new technology, and new creative content are now part of the 'creative class', even though the actual economic and social circumstances of the various professions and groups so subsumed varies widely. Florida's argument found such wide and enthusiastic acceptance because of the positive, proactive policy stance implied and the way it presented the creative class as a panacea for local economic problems (Florida, 2002).

It is also clear that the 'branded identity', alluded to earlier, has become an increasingly local affair, but in a setting whose terms have been set by the global. As Allen Scott has observed (see also Chapter 27), 'the geography of culture... is stretched across a tense force-field of local and global relationships, with the production of culture tending to become more and more concentrated in a privileged set of localized clusters of firms and workers, while final outputs are channelled into ever more spatially extended networks of consumption' (Scott, 2000: 4). Thus city and regional authorities turn increasingly to local *marketing strategies* that rely increasingly on cultural offer, in other words on the presence of artists, creative people and the cultural industries as elements of symbolic capital that exert a strong attraction on international companies and their mobile workforce. Some consider, in fact, that the impact on inward investment that this turn to cultural resources has had is a far more significant outcome than the direct creation of wealth and employment (Bianchini, 1999).

Thus urban 'quality of life' has come to be seen as a key ingredient for 'city marketing' and 'branding', including international strategies to attract mobile external capital and skills. It was thus that

public sector-led forms of provision and management began, in some cities and regions, to be accompanied if not replaced by a variety of private, voluntary and semi-public agencies and initiatives. New strategies to mobilize local potential for economic growth began to include actors other than those associated with traditional municipal policies. In these new partnership processes, bargaining systems have emerged which require more cooperative structures and styles of policy-making. Important new sources of funding emerged at this time. Cities and regions now take it increasingly for granted that they must build international competitive advantage in the cultural products sectors.

In all these processes, an important and overarching role is increasingly ascribed to 'identity', i.e. that sense of commonality particular to individual regions or other territorial entities which shapes approaches to and priorities in politics and policy. While sub-national identity has an economic base and, also includes such factors as the infrastructure base, administrative traditions, and so on, it is clear that cultural resources express and sustain it, just as they also support social interaction and collective action which is essentially economic in nature. Thus culture has become a core component of self-representation on the part of local authorities, a key element of place branding and marketing and a prop in the search for social cohesion. It is in this sense that local-level cultural policy frameworks, as distinct from those of the central state, are clearly emerging, as the local authorities look at cultural resources ever more systemically, at their inter-connections with economic growth, industry regeneration, tourism, governance and social cohesion.

Yet the practices of 'place marketing' that have emerged as a result present a range of negative symptoms. Thus,

instead of a dynamic and challenging approach to local character, we are confronted with unrepresentative stereotypes and parodies of the past. Rather than an inclusive methodology that addresses local audiences, it is exclusively outward-looking, thereby ignoring whole sections of the population. Authenticity and reality are substituted for a burlesque caricature of place. The messages follow an insipid formula, which makes it difficult to distinguish one place from

another... The kinds of identities being projected are at best partial and at worst completely fictitious. (Murray, 2001: 5)

As the spheres of cultural and economic development converge, cultural forms and meanings are becoming critical elements of many different productive as well as discursive strategies. Although the economic importance of cultural goods and services is much greater in some countries (for example in the USA, Western Europe and Japan) than in others, the sector is developing at various speeds and with varying degrees of intensity all over the world (see indicator suites on the cultural economy). This process, initially led by forces mainly in the global North, is now joined by new players in the global South, facilitated by the Internet and the media, cultural tourism, globalizing educational systems, etc. Thus, globally, the capacity to create new ideas and new forms of expression for the so-called 'knowledge economy' is well on the way to becoming a valuable resource base, one that may equal mineral, agricultural and manufacturing assets in importance. This cultural wealth of nations should not be understood principally as a legacy or just a mass distributed industry but as the vitality, knowledge, energy and dynamism in the production of ideas and identities (Venturelli, 2000). For the creative or cultural industries do not simply generate income and employment: they also communicate, reflect and celebrate a diversity of cultural expressions. In an ideal world, therefore, one would expect each society to be able to elaborate goods and services that express its own cultural visions and aspirations and be able to see them compete fairly in domestic, regional and global markets. This is far from being the case, as the relevant indicator suites make clear, for production, distribution and trade flows are dominated by a limited number of countries in the global North.

While these asymmetries obviously affect earnings, they also aggravate historic imbalances in communication exchange, in access to information and entertainment and in civic participation. They hold back cultural development and inter-cultural dialogue. Major asymmetries exist *within* the countries of the South as well. Many people simply cannot afford to pay for the products of recently reconfigured cultural and media industries and their only access to globalized culture is through free, state-run radio and television.

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It is in these terms that the question of cultural goods and services has gradually come to the forefront of the international public policy debate on culture at UNESCO, resulting in the 2005 *Convention on the Protection and the Promotion of the Diversity of Cultural Expressions* (Isar, 2006; see also Chapter 7 below). Many see this new international instrument as a 'quantum leap' forward towards world governance in cultural matters. Be that as it may, a key issue in the coming years will be whether and how this legal instrument will effectively alter the way governments make and administer laws and regulations in the arena of culture. Will they recognize the strategic importance of the cultural economy, whether at artisanal or industrial scale, rather than take the increasingly fraught route of protectionist closure?

The perceived threats of globalization have in fact stimulated a whole range of strategies on the part of nations, cities and cultural organizations, as they seek to cope with, counter or facilitate culturally globalizing forces. These include strategies for preserving and protecting inherited cultural forms, for rejuvenating traditional cultures, for resisting cultural imposition, and for processing and packaging – maybe even altering or transforming – local and national cultures for global consumption. 'Local' cultures have not just been destroyed or reconfigured through globalization and regional integration, although most traditional forms of art and craft production continue for their part to express national cultures and to circulate mainly within their country of origin while the intellectual property industries are increasingly organized on transnational lines. Digitalization, television channels, the production of films, discs and videos, opera company tours and music and drama groups are all cases in point. International cultural exchange has seen a significant shift towards international co-productions, joint exhibitions, mutual conferences or festivals which enable cost-sharing, economies of scale and international marketability, all reflected in growing trans-frontier cooperation among film distributors, broadcasting companies, publishers and the music industry. Interdependencies and interconnections such as these, although not always voluntary, make it increasingly less justified to equate globalization with 'Americanization' or 'Westernization': in the cultural economy, as in many other domains, 'we find evidence revealing the phenomenon of creative adaptation, in which "foreign" solutions are

often selected (and modified in the transition) on the basis of rational considerations' and that most imported innovations 'serve as means employed for local purposes or as molds to be filled with local content'. (Osterhammel and Petersson, 2003: 149).

With these cultural patterns and trends, that compose of a backdrop mixing both threats and opportunities, we asked our contributors to address, in the form most appropriate to their topic, one or more of the following five related sets of critical questions:

1. Does the production of cultural goods and services conform to the patterns of economic globalization? In other words, are the way and extent to which the cultural economy is becoming more globalized similar to what happens in sectors such as machinery, IT services, finance, or travel? Who are the key agents of this globalization? How extensive is globalization *stricto sensu* as opposed to regional groupings in the production of cultural goods and services?
2. What is the relationship between the cultural economy, in which cultural goods and services are becoming increasingly commodified, and the aesthetic realm? How do commercial viability and artistic creativity relate to each other in this context? To what degree do the imperatives of the market threaten (or possibly foster) collaborative or process-based arts activity? How do market-driven phenomena create new figures of the creative artist as a 'motor of innovation' and of the 'creative subject' in increasingly hybrid and precarious working environments?
3. What are the current and emerging organizational forms for the investment, production, distribution and consumption of cultural goods and services? As cultural production becomes part of a mixed economy at the national level, what are the emerging patterns transnationally?
4. Who are the 'winners' and 'losers' as the cultural economy becomes globalized? Are some art forms and genres being marginalized, becoming increasingly excluded, while others move to the center of transnational cultural attention and economic interests? How does the relation between creators, producers, distributors and consumers of culture change in terms of economic positions and cost-benefit considerations? Are the 'business models' of the cultural economy changing?

5. What are the policy implications of the above, and what policy recommendations can be made as a result at local, national and international levels?

Whereas in 2007 the co-editors themselves wrote a second introduction to the volume that explored the 'Conflicts and Tensions' theme, and also provided short introductions to the different parts of the volume, here the multiple strands of specialized findings and reflections are being expertly woven together by two colleagues we have already cited. First, in an introduction to Part I, our Guest Editor, Stuart Cunningham, links the contributors' different lines of inquiry together and connects them to underlying conceptual templates that link culture and the economy.³ We benefit equally at the close of Part I from the wisdom of the economic geographer Allen Scott, who offers the reader a set of 'retrospect and prospect' reflections on the present and future of the cultural economy and also pulls together some key insights drawn from his careful reading of all the preceding chapters.

Notes

- 1 For a fuller account of the conceptual approach informing the *Cultures and Globalization Series*, including a discussion of indicator suites, see Volume 1, in particular Anheier and Isar (2007) and Anheier (2007).
- 2 Cited from the Keynote Address entitled 'Only Connect' Robert Hewison delivered on 8 November, 2007 at the Annual Conference of the European Forum for the Arts and Heritage (EFAH) held in Warsaw.
- 3 This early usage was cognizant of the Frankfurt School's 'culture industries' ideas (see also the references to the Frankfurt School in the Chapters 2, 7 and 27) and contained a degree of apprehension, even disdain in the understanding of culture as mass production for mass society, through forms of industrialization that affected art and popular culture alike and required public cultural institutions and agencies to defend 'art' from the market, while at the same time harnessing the latter (O'Connor, 2007).
- 4 As Guest Editor, Stuart Cunningham also contributed to the review of our initial 'brief' and significantly to the identification of contributors, particularly in the Asia/Pacific region.

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