

Trade Between Cultures¹

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Philip Adams, then chairman of the Australian Film Commission, remarked: "A country that makes a film like *Star Wars* deserves to rule the world." Other individuals respond more negatively to America's cultural presence. Canadian writer Margaret Atwood coined the phrase "the Great Star-Spangled Them" during the debates over NAFTA. Many Mexicans are unhappy because Halloween is displacing their traditional "Day of the Dead" ceremonies. One writer claimed that "Day of the Dead is a family day. Halloween is a superficial and commercial holiday." French farmers trash McDonald's, not the U.S. Embassy, when they are unhappy with American trade policy.

Cultural imperialism is an emotional issue around the world. The Haitian recording industry is a strong presence in the smaller Caribbean markets, such as French Guiana, Dominica, Martinique, Guadeloupe, and St. Lucia. Many Antillean musicians resented the Haitian success, even though they derived many musical ideas from the Haitian style of compas (pronounced "comb-pa"). The founder of Kassav, the leading Antillean zouk group, stated: "It's this Haitian imperialism [i.e., the popularity of the groups] that we were rising against when we began Kassav." Governments responded with protective measures to limit the number of Haitian bands in the country. Ironically, Antillean Zouk now has penetrated Haiti. Haitian musicians resent the foreign style, although like their Antillean counterparts they do not hesitate to draw upon its musical innovations. Haiti's compas style was originally a modified version of Cuban rhythms and Dominican merengue.

Trade is an emotionally charged issue because, in addition to bringing goods and services, it shapes our sense of cultural self. Almost all countries restrict immigration, in part to preserve some notion of a well-defined national culture. Spain, South Korea, and Brazil place binding domestic content requirements on their cinemas; France, Spain, and Canada do the same for television. Canadians mandate domestic content for a percentage of radio time, giving extra airplay to the music of Neil Young, Gordon Lightfoot, and Barenaked Ladies. The Canadian government discouraged the American book superstore Borders from entering the Canadian market, out of fear that it would not carry enough Canadian literature. Until recently, India did not allow the import of Coca-Cola, instead favoring its own native cola brands. The French spend approximately \$3 billion a year on cultural matters, and employ 12,000 cultural bureaucrats, trying to nourish and preserve a uniquely French culture.

Sometimes the very notion of the nation is at stake. Many Québécois wish to use legal secession to maintain their cultural differences with greater Canada. Many English-speaking Canadians favor the union, not out of any love for Quebec, but because they fear that secession would force Canada to move closer to the United States. Some Canadian Westerners hope that Québécois secession will show up the arrogance of the governing class in Ontario, and thus preserve the distinctiveness of the West. Globalization intensifies the clash between differing notions of freedom -- the freedom to engage in marketplace exchange vs. the ability to maintain a particular cultural identity.

¹ Draft Chapter from the book, *Creative Destruction*

Harvard libertarian philosopher Robert Nozick, in his **Anarchy, State, and Utopia**, argued that market society offered a cultural utopia based on freedom of choice. He portrayed a hypothetical libertarian world where individuals can freely choose their lifestyles, their mores, and their culture, so long as they do not impinge on the right of others to make the same choices. Such a libertarian vision has held great appeal for many, but it has skirted the empirical question of how much choice is actually available in the market, or would be available in a more libertarian society. Does in fact the market expand our positive liberties and increase the menu of choice?

More specifically, does trade in cultural products support the artistic diversity of the world, or destroy it? Will the future bring artistic quality and innovation, or a homogeneous culture of the least common denominator? What will happen to cultural creativity as freedom of choice extends across a global economy? I take these to be my central questions. To address them, I define globalization as the simple notion that the world is smaller than ever before. The constraints of place and polity have continued to recede. Space, place, and distance play a diminishing role in shaping our cultures.

I define culture in terms of the creative products that stimulate and entertain us. More specifically, I treat music, literature, cinema, cuisine, and the visual arts as manifestations of culture. Since I wish to focus on how trade shapes creativity, I leave aside broader shared social practices such as family norms, religious practices, and manners. Instead, I treat international commerce as a stage for deciding Plato's question from *The Republic*: Are market exchange and aesthetic quality allies or enemies? And to address another question from classic Greek civilization, to what extent our loyalties should lie with the cosmopolitan or to what extent with the local and the particular?

The debates

The critics of globalization contend that markets strongly constrain choice by limiting the set of available alternatives. Numerous commentators, transcending the traditional political spectrum, have argued that markets destroy culture and diversity. Benjamin Barber claimed that the modern world is caught between Jihad, a "bloody politics of identity," and McWorld, "a bloodless economics of profit," represented by the spread of McDonald's and American popular culture. John Gray, an English conservative, has argued that global free trade is ruining the world's polities, economies, and cultures. His book is entitled **False Dawn: The Delusions of Global Capitalism**. Jeremy Tunstall (1977, p.57) defined the "cultural imperialism thesis" as the view that: "authentic, traditional and local culture in many parts of the world is being battered out of existence by the indiscriminate dumping of large quantities of slick commercial and media products, mainly from the United States." I will investigate whether these charges are true in the realm of culture and the arts.

The debate revolves around two older visions from social science, those of Adam Smith and Alexis de Tocqueville. For Smith, the growth of the market supports niches and variety, as he outlined in his classic **Wealth of Nations**. It becomes possible to support many activities that were previously unaffordable in the poorer and ruder state of society. Smith coined his classic dictum that "division of labor is limited by the extent of the market."

Tocqueville, the nineteenth century French author of **Democracy in America**, is not typically considered an economic thinker, but in fact his book is permeated with a deep and original economics of culture. For Tocqueville, market growth serves as a magnet, pulling creators

towards mass production and away from serving niches. For this reason, Tocqueville portrayed America as producing a culture of the least common denominator, in contrast to the sophistication of European aristocracy. While Tocqueville's portrayal of America was subtle and nuanced, and in many regards favorable, he did believe that broader markets for cultural goods lowered their quality. Current critics of American cultural imperialism are, in essence, staking out a Tocquevillean position. It is Tocqueville, not Marx, who provides the most serious nineteenth century attempt to revise Smith.

My general perspective on the arts - which I have elsewhere labeled **cultural optimism** - builds on Smithian economics to celebrate the creativity and diversity of advanced market economies. In an earlier book, **In Praise of Commercial Culture**, I argued that wealth and commercial forces played central roles in many of the notable artistic revolutions of the Western past, including the Italian Renaissance, the rise of classical music, the French cultural blossoming of the nineteenth century, and twentieth century rock and roll. I also suggested that Western societies can expect a future of rich cultural diversity and innovation, for the same reasons that wealth and commerce have benefited the creators of the past. I did not, however, examine whether the poorer, lesser developed societies of the world can expect a similar fate or whether they will be swallowed up by homogenizing trends.

Whereas **In Praise of Commercial Culture** applied modern economics to eighteenth century questions about commerce and culture, the topic area of this book requires a shift of focus to controversies from the nineteenth and early twentieth centuries. Specifically how do social relations mediate **difference**, to what extent are cultures bound by laws of evolution, is the pressure for mass culture an aesthetically corrupting force, and what accounts for the vitality of the so-called "primitive"?

Our conflicting intuitions

We have strongly conflicting intuitions about globalized culture. On the plus side, the very notion of the West is a multicultural product. To varying degrees, Western cultures draw their philosophical heritage from the Greeks, their religions from the Middle East, their scientific base from the Chinese and Islamic worlds, and their core populations and languages from Europe.

If we consider the book, paper comes from the Chinese, the Western alphabet comes from the Phoenicians, the page numbers come from the Arabs and ultimately the Indians, and printing has a heritage through Gutenberg, a German, as well as through the Chinese and Koreans. The core manuscripts of antiquity were preserved through cultural contact with Islamic civilization, and to a lesser extent, by Irish monks.

The period between 1800 and the first World War saw an unprecedented increase in globalization. The West adopted the steamship, the railroad, and the motor car, all of which replaced travel by coach or slow ship. International trade, investment, and migration grew rapidly. The nineteenth century, by virtually all accounts, was a fantastically creative and fertile epoch. The exchange of cultural ideas across Europe and the Americas promoted diversity and quality, rather than turning everything into homogenized pap.

Conversely, the most prominent period of cultural decline in Western history coincides with radical deglobalization. The so-called Dark Ages, which date roughly from the collapse of the Roman Empire in 422 A.D. to early medieval times in 1100, saw a massive contraction of interregional trade and investment. The Roman Empire had brought regular contact between the

distant corners of Europe and the Mediterranean; the Roman network of roads exceeded the U.S. Interstate system in terms of mileage. After the fall of the Empire, however, trade dried up, cities declined, and feudalism arose as nobles retreated to heavily armed country estates. During this same period, architecture, writing, reading, and the visual arts all declined drastically. The magnificent buildings of antiquity fell into disrepair, or were pillaged for their contents. Bronze statues were melted down for their metal. Most of the notable writings of antiquity perished; some texts survived only because farsighted monks made handwritten copies.

The rise of medieval society and the Renaissance was, in large part, a process of reglobalization, as the West established significant contact with the Chinese and Islamic worlds. At the same time, trade fairs expanded, shipping lanes became more active, and overland trade paths, many dormant since the time of the Romans, were reestablished.

These successes of globalization did not involve cultural exchange on equal terms. The notion of a cultural "level playing field" is a myth. Never did the Greek city-states compete on an even basis. Christian and Graeco-Roman cultures were entrenched in Europe partly by fiat. British culture has had a significant head start in North America. The benefits of cultural exchange usually have come from dynamic environments in great imbalance, rather than from calm or smoothly working markets. The most successful epochs do not give us more of every kind of cultural product at once. Instead the new is likely to push aside the old, often in fairly abrupt and brutal fashion, even if the new taps older traditions for its creative inspiration.

Third world and "indigenous" arts have in fact blossomed on the imbalanced playing field of today's market economy. Contrary to common opinion, most third world cultures are fundamentally hybrids -- synthetic products of multiple global influences, most of all from the West. None of the common terms used to describe these cultures, whether it be "third world," "indigenous," "original," or "underdeveloped," are in fact appropriate designations, given the synthetic nature of the creative arts.

To give one example, the sculpture of the Canadian Inuit Eskimos was not practiced on a large scale until after World War II. Even the earlier nineteenth century carvings drew on sailors' scrimshaw art for inspiration. White artist James Houston, however, introduced soapstone carving to the Inuit in 1948. Since then the Inuit have created many first-rate works in the medium. The sale of stone-carved works in Western art markets, often for lucrative sums, also has allowed the Inuit to maintain many of their traditional ways of life. The Inuit have moved into printmaking as well, and with commercial and aesthetic success.

More generally, the metal knife proved a boon to many third world sculpting and carving traditions, including the totem poles of the Pacific Northwest. Acrylic and oil paints spread only with Western contact. South African Ndebele art uses beads as an essential material for the adornment of aprons, clothing, and textiles. These beads are not indigenous to Africa, but rather were imported from Czechoslovakia in the early nineteenth century. Mirrors, coral, cotton cloth, and paper -- all central materials for "traditional" African arts -- came from contact with Europeans. The twentieth century flowering of third world "folk arts," prominent throughout the world, has been driven by Western demands, materials, and technologies of production. Cerny and Seriff have written of the "global scrap heap," the use of discarded Western material technology in folk arts around the world.

Most world music styles are of more recent origin than is commonly believed, even in supposedly "traditional" genres. The twentieth century brought waves of musical innovation to

most cultures, especially the large, open ones. The musical centers of the third world -- Cairo, Lagos, Rio de Janeiro, pre-Castro Havana - have been heterogeneous and cosmopolitan cities that welcomed new ideas and new technologies from the outside world.

In literature the printing press and the modern bookstore have supported creativity across the third world. Many non-Western literatures were stagnant before Western fiction made significant inroads. Today Salman Rushdie of India, Naguib Mahfouz of Egypt, and Pramoedya Toer of Indonesia, among others, are world class writers, comparable to the best of Europe and the United States.

Consonant with these histories, writers from the third world have been some of the strongest proponents of a cosmopolitan multiculturalism. Salman Rushdie describes his work as celebrating hybridity, impurity, and mongrelization. Ghanaian writer Kwame Anthony Appiah believes that cosmopolitanism complements "rootedness," rather than destroying it, and that new innovative forms are maintaining the diversity of world culture. Rabindranath Tagore, Gandhi's foil earlier in the century, favored international trade and cooperation over national isolation or boycotts of foreign goods. He saw the genius of Indian society in synthesizing the cultures of the East and the West.

The minus side

Despite the triumphs of synthetic culture, even the most ardent cosmopolitanite cannot ignore the cultural costs of globalization. Paul Ricoeur remarked: "It is a fact: every culture cannot sustain and absorb the shock of modern civilization." Globalized culture illustrates Joseph Schumpeter's metaphor of capitalist production as a gale of "creative destruction." Cultural growth, like economic development, rarely is a steady advance on all fronts at once. Rather, some sectors expand with extreme rapidity while others shrink and wither away. It is hard to argue that Polynesian culture is more vital today than several hundred years ago, even though the Polynesians are wealthier in material terms. Materialism, alcohol, Western technologies, and Christianity (according to some) have damaged the Polynesian sense of cultural potency. In Tahiti many creative traditional arts have been neglected or abandoned as they lost status to Western goods or proved uneconomical. Polynesian culture has hardly disappeared, but it now limps along on the margins of Western achievement.

Some commentators have suggested that China opened Tibet to the outside world, not out of tolerance and magnanimity, but to destroy the native culture. Coca-Cola and Western tourists may succeed in doing what decades of coercive Communist intervention failed to achieve - weakening traditional Tibetan attachments to their rich brocade of history, rituals, temples, and Buddhist religion. The Himalayan kingdom of Bhutan charges tourists two hundred dollars a day in the hope of maintaining a protected sense of identity. The country has no traffic lights and no city with more than 10,000 inhabitants. Wild dogs roam the streets. Poverty and malnutrition are rife, but the country maintains intense forms of Buddhist mythology and art that are perishing elsewhere.

We can draw similar lessons from international experience more broadly. A bit of travel convinces even the most confirmed cosmopolitanite that something is amiss with globalization. Even travelers of only moderate experience complain that their fellow countrymen have "spoiled" various locales.

Just as the mobility of people can have a homogenizing effect, so can the mobility of goods. It is well understood in the movie business that action films are easiest to export to many countries. Heroism, excitement, and violence do not vary so much across cultures. Comedies, with their nuances of dialogue and their culturally specific references, are the hardest to sell abroad. A global market in cinema therefore encourages action films more than it does comedy. Furthermore, comedies for the global market tend to emphasize physical slapstick rather than sophisticated wordplay, which is hard to translate into other languages. Some very fine movies use action and slapstick comedy, but these trends have not elevated the quality of movies in all regards.

Compact discs bring World Music to listeners around the globe, but at a cost in terms of diversity. The recordings with glossy Western covers often contain a watered-down version of the original performance. The musicians are pandering to Western audiences that do not have a sophisticated understanding of the music, rather than pursuing the course of highest aesthetic quality. Globalization, while it spurs many cultural booms, often contains the seeds of their later undoing by encouraging creators to tone down their products for the mass market.

Free trade and creativity

The standard economic approach to trade does not adequately account for why cultural globalization might run askew, or how it might give rise to such conflicting intuitions. Most economists focus on the narrow efficiency benefits of trade, and pay less attention to how culture is generated or produced. Their models offer no underlying account of why or how human beings are ever creative.

As classical and neoclassical economics portray exchange, an expansion in trade opportunities increases the goods and services available to all nations. To provide a simple illustrative parable, we can imagine Robinson Crusoe on a desert island. After Friday arrives, Crusoe has access to a greater array of goods and services. Crusoe can specialize his labor and perform only the tasks he is best suited for, trading with Friday for what he cannot produce so efficiently. At the very worst, Crusoe could replicate the consumption pattern he had enjoyed when alone. In this story, trade brings diversity -- in this case more of everything -- as a necessary matter of course.

I regard the Crusoe parable as an unsatisfactory model for the globalization of culture, or for asking whether markets will support Robert Nozick's utopia of libertarian choice. The Crusoe parable does not account for the special features of cultural and artistic production. In particular, the model assumes that Crusoe and Friday have complete knowledge of all the alternatives available to them. The causes of human creativity, and their potential fragility, do not enter the story.

In reality, creative artistic production usually relies on highly complex support networks, as will be fleshed out throughout the book. In a cultural network, numerous complementary factors augment each other's effectiveness, usually in a way that no single individual planned or designed. Trade may either disrupt old networks, or allow new and fruitful networks to be created. In particular, trade may affect societal ethos and worldview, technology, the geographic clustering of production, and the degree of customer concern for quality.

I view these four factors as providing the linchpins of anti-globalization arguments and for that reason they receive special attention. In each case I examine how trade might damage

creativity, convert anti-globalization polemics into a more systematic argument, and then assess the validity of the charges by looking at the evidence. When choosing empirical examples, I take special care to examine areas where the criticisms of globalization have been strongest, such as cinema and handwoven textiles.

My account of culture and trade differs also from "critical theory." The literature on critical theory is vast, and encompasses diverse perspectives drawing on Marxism, structuralism, and postmodernism, among other sources. Bourdieu, Gramsci, and Canclini -- themselves diverse products of a globalized intellectual culture -- cannot be reduced to a single common denominator. Nonetheless there is a common difference between my approach and these alternatives. I treat culture as a matter of individual choice, as captured by the logic of a means-ends calculus.

The difference in method is more subtle than is sometimes recognized. Critical theorists like to portray the economist as assuming that individuals are "atomistic" or "autonomous," in contrast to their models of socially determined choices. In reality, an economic approach recognizes and indeed stresses that an individual might face social pressures when choosing one culture over another. In the economic approach, choices are never "free" in the sense of being unconstrained. Nonetheless constraints operate through choosing individuals, rather than through the more macro categories of class, race, gender, or power. Concepts of hegemony and false consciousness play a central role in the critical theory literatures on culture and on globalization. But as we will see, the most important criticisms of globalization can be translated into stories about how individual choices, made in the context of imperfect markets, may misfire.

What is to come

The inquiry will suggest four primary lessons about globalized culture, to be developed in the following chapters.

First, the concept of cultural diversity has multiple and sometimes divergent meanings*. Differing kinds of diversity often move in opposite directions. For instance, diversity **within society refers to the richness of the menu of choice in that society, whereas diversity **across** societies refers to whether each society offers the same menu. When a new artwork is traded from one society to another, diversity within society goes up (consumers have greater choice), but diversity across the two societies goes down (the two societies become more alike). The question is not about more or less diversity **per se**, but rather what kind of diversity globalization will bring. Globalization tends to favor diversity within society, and diversity over time, but to disfavor diversity across societies.*

Diversity over time refers to how much a society changes over time. If diversity is a value more generally, we might be tempted to conclude that diversity over time is a value as well. Yet many defenders of diversity decry the passing of previous cultures and implicitly stake out an opposition to diversity over time.

Operative diversity -- how effectively we can enjoy the diversity of the world -- differs from **objective diversity**, or how much diversity is out there. Globalization has a stronger record with regard to the former than to the latter. Markets disseminate the diverse products of the world very effectively, even when those same cross-cultural contacts damage indigenous creative environments.

Second, cultural homogenization and heterogenization are not alternatives or substitutes, rather they tend to come together.

A growth in the size of the market causes heterogenizing and homogenizing mechanisms to operate in tandem. Some parts of the market become more alike, while at the same time other parts of the market become more different. Furthermore, some degree of internal homogeneity may be required to support further differentiation. Partial homogenization often creates the conditions necessary for diversity to flower on the micro-level.

The connection between heterogenization and homogenization is perhaps easiest to see in the realm of food. Chain restaurants take an increasing percentage of American and global restaurant sales, and in this regard the market brings greater homogeneity. At the same time, the growth in dining out has led to an expansion of food opportunities of all kinds, whether it be fast food, foie gras, or Thai mee krob. American suburbs and cities offer a wide variety of Asian, Latin, African, and European foods, as well as "fusion" cuisines. High and low food culture have proven to be complements. Paris and Hong Kong, both centers of haute cuisine, have the world's two busiest Pizza Hut outlets.

Third, most cultural successes in the past have been based on fortuitous mixes of cross-cultural contact and isolation.

Successful cultural networks combine internal uniqueness and openness to favorable outside influences. It is the blend that is important. Neither openness nor isolation is desirable or undesirable **per se**. Along these lines, Claude Levi-Strauss (1976, p.328) noted that: "Diversity is less a function of the isolation of groups than of the relationships which unite them."

Fourth, a globalized world, while it will alter or disrupt many particular cultures, will provide considerable support for innovation and creative human energies.

The arguments for and against globalization refer to conflicting ethical values and cannot be scientifically resolved. We will see, however, that most arguments against globalization are not rooted in support for diversity **per se**. Globalization brings us many kinds of diversity, albeit not all kinds. On closer examination, most critics of globalization dislike particular cultural trends, often those associated with modernity or commercialism more generally. They use diversity as a code word for a more particularist agenda, often of an anti-American nature. To the extent that we value freedom of choice across a wide menu of options, and reject particularism, we can look forward to the promise of global culture.