THE GLOBAL CULTURAL ECONOMY: POWER, CITIZENSHIP, AND DISSENT

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This chapter examines the complex dynamics of cultural exchange and production. While the narrative of financial globalization privilege system and structure, that of cultural globalization emphasizes the centrality of agency and voice. The first section maps the contours and boundaries of the global cultural economy. The second briefly analyzes four industrial sectors in order to illustrate the political economy of cultural production. The third section examines the inherently unequal dynamics of global cultural flows. Finally, we will link the global cultural economy to the growth of political dissent. Dissent is the consequence of power being reallocated downwards and the ‘Innisian’ and ‘Habermasian’ power dynamics involved are central to our understanding of the role of agency and voice in the global cultural economy.

The Novelty of the Global Cultural Economy

The global cultural economy, as it has come to be termed, is a leviathan in its complexity and market reach. Negotiating the rules of cultural interaction is a complex and often chaotic undertaking in which market power and political influence are always present. Strikingly, there is no consensus on the role that culture plays in the processes of globalization for the very simple reason that culture is a difficult and elusive term to define (Stanley 2005), and is subject to global pressures and national constraints (Stiglitz and Charlton 2004). We define culture as a set of ideas and practices embedded in the plural and diverse historical experience of a society. Cultural practices are the markers of public memory. Definitionally, the global cultural economy is an integrated market system of global property rights, mass markets, foreign investment, and
multilateral regulation (Paquet 2005). It also features an extensive commons (see Pinter chapter in the next section). It includes most media, information and entertainment flows, whether they move through market mechanisms or through the public sphere.

This chapter examines the complex dynamics of cultural exchange and production. We understand that globalization is increasingly a cultural and communicative phenomenon. The narrative of financial globalization privileged system and structure; the narrative of cultural globalization emphasizes the centrality of agency and voice to the social phenomenon of globalization. The first section maps the contours and boundaries of the global cultural economy (Appadurai 2001). The second section briefly analyzes four industrial sectors in order to illustrate the political economy of cultural production (Drache and Froese 2006). The third section examines the inherently unequal dynamics of global cultural flows. Today, the international market for cultural goods is larger than the markets for steel, automobiles, or textiles. Finally, we will link the global cultural economy to the growth of political dissent (Barber 1995). Dissent is the consequence of two factors: the unequal social relations embedded in cultural flows and the empowerment of individuals and groups through new communications technologies. Power is being reallocated downwards and these Innisian power dynamics are central to our understanding of the role of agency in the global cultural economy.

**Mapping the Global Sphere of Interactive Communication: A Habermasian/Innisian Turn**

Market power is frequently theorized as the principal driver of cultural globalization, but we argue that although this power is a central feature of the globalization phenomenon, rapid technological change and activist publics have undermined the political influence and financial
might of transnational corporations. A Habermasian reading of the current stage of globalization highlights the growing international public sphere, in which new forms of communication unleash the radical innovative potential of national publics (Habermas 1989). Habermas (2001) theorized that public reason relied on face to face engagement to shape state policy. Today, this dynamic is no longer confined to the agora, but rather takes place through digital means in the global polis (Barney 2000).

The particular modality of this process within the global interactive sphere of communication was foreseen by Harold Innis (Innis 2007). Groundbreaking research in the early part of the twentieth century into the origins and possible futures of human communication suggested that in an era of unprecedented technological change, communication technology shifts political power downwards and towards the margins of societies (Innis 1951). This process has destabilizing effects on traditional patterns of authority (Downing 2001).

Taken together, Habermas and Innis provide a compelling account of the processes currently underway in the global cultural economy. The global cultural economy is driven by technological change towards a global, integrated, and interactive sphere of communication in which political power is inexorably moving downwards and towards the margins of international civil society because it gives a voice to those who previously did not have one. Innis’ grasp of the emancipatory potential of technology hits closer to our current reality than do McLuhan’s ideas (McLuhan 1964). McLuhan thought that the medium of communication eclipses the message it contains, but we see today that his old aphorism, ‘the medium is the message,’ is only
true for early adopters of technology in the global north for whom text messaging, for example, was a toy, rather than a communications lifeline.

To be a social actor today, one needs to be patched into the worldwide digital communications network. Do-it-yourself techno-gurus, bloggers, musicians, writers, public intellectuals, counterculture activists, and even knowledge caretakers such as universities, archives, and museums, contribute new ideas about what it means to be a citizen in the transnational cultural context (Shaviro 2003). Benedict Anderson (1991) has argued that in the 19th century, print capitalism created the modern citizen and nationalism as the mainstays of the nation-state. In the 21st century, hypertext is recreating the modern concept of citizenship through access to new collective identities and new ways of understanding the relationship between local and global.

**Hypertext and Identity Politics**

The text messaging phenomenon sweeping Asia, Europe, North America, and Africa is a striking example of Innis’ primary insight. In the first quarter of 2002 24 billion messages were sent globally (ITU 2002). Digital technology is increasingly available to those who have not had access to it in the past, including the poor, children and the disabled, particularly in the global south. The digital divide is shrinking as access to computers and the massive explosion of cell phones in the global south continues to grow at double digit figures annually (Drache and Clifton, 2006). Short Message Service (SMS) technology has been revolutionary for the hard of hearing who now use cellular phones almost as freely as anyone else.
African farmers and fishermen, traditionally excluded from informed participation in the market, are using it to achieve higher prices for the produce they sell. E-mail and SMS technology were also used to orchestrate mass demonstrations of dissent, such as the ‘Battle in Seattle’ in 1999 and those in response to the Madrid bombings in 2004 (Summers 2001). SMS is an ideal instrument for organizing spontaneous public demonstrations in Asia’s mega-cities as well. The anti-Japan demonstrations of 2005 in China were facilitated by text messaging, which was used to mobilize thousands of urban Chinese in Beijing and Shanghai (Yardley 2005). The instantaneous transmission of photos from Rwanda, the former Yugoslavia, and Iraq alerted global publics to human rights abuse and galvanized international condemnation against American imperial ambitions.

The spread of mobile technology occurs unevenly at first, but the effect is often an exponential democratization of communication. The traditional left/right world view imagines that power begets power, and that new information technology empowers corporate intellectual property proprietors. Ownership of the means of communication brings wealth and the ability to control the social agenda. But with the digital communications revolution, the reverse is true. Civil society uses Information and Communication Technologies (ICTs) to strengthen a bottom-up approach to mobilization of the sort necessary for the democratization of the information society (ITU 2004). Since the mid 1990s, digital technology has been a lynchpin of popular protest and mass dissent. Now, at the dawn of the twenty-first century, it has entered the mainstream of local and regional cultures alongside the other revolutionary media of mass communication, radio, and television.²
The unique feature of this public sphere of interactive communication is that it is composed of privately owned communications networks. Some writers believe that private ownership removes culture and communication from the public sphere. While many aspects of culture may be privately owned, they are always shared. The quandary facing policy makers and global governance experts is how can public authorities protect free speech, promote multicultural identities, and simultaneously recognize the property rights of corporate owners? None of these goals triangulate easily with neoliberal intellectual property rights (Appadurai 1996). Global publics are deeply divided between two visions for the future – a global commodity chain for private economic actors, or a renewed cultural pluralism for global publics. So far, there are no definitive answers, nor any consensus on how to nourish the cultural commons.

**Principal Characteristics of the Global Cultural Economy**

The global cultural economy has four main features – its *markets*, *intergovernmental institutions* such as the WTO, WIPO, and UNESCO, *norms* such as diversity, accessibility, and protection of intellectual property, and *citizenship practices* typified by an often porous divide between public and private:

*Global Markets*

The first feature is a worldwide market system for information and entertainment. The emergence of global markets was a prerequisite for the transnational diffusion of cultural goods and services. Films, books, television, radio, and the Internet create a seemingly endless flow of cultural goods and services. These real and virtual texts create new narratives in privileged spaces about identity, diversity, distraction, and transnationality. The explosion of new
information technologies has made possible the organization of many different kinds of citizen-accessed outlets and public forums at the local, national, and global levels.

Throsby defines cultural production as involving creativity in the production process, the generation, and communication of symbolic meaning, result in some form of intellectual property (Throsby 2001). A final feature is noted by Caves. Cultural products must be experienced in order to be valued. Cultural products are so valuable because they empower the consumer to make their own evaluation of their symbolic power (Throsby 2001). However, just as the enclosure movement of the 18th century fenced off public goods and redefined the rights of investors, so intellectual property rights are primary markers of growth and diffusion of the global cultural economy (Boyle 2003). The Trade Related Intellectual Property Rights Agreement formalized a formidable series of rights for property owners, particularly in the pharmaceutical and entertainment industries. But enforcement has been logistically complex and compliance remains problematic, not only in the global south, which has emerged as a network of extralegal IP appropriation, but also in the global north where citizens and consumers are not convinced that digital appropriation is a crime on par with the theft of tangible goods.

Millions of citizens worldwide are convinced in a way that even five years ago they were not that the idea of a single global order anchored in the WTO’s governance capacity is discredited. Global dissent has its own iconography popularized by such worldwide best sellers as No Logo from Canada’s Naomi Klein (2000) and Mark Achbar’s surprise documentary hit The Corporation (2004). Michael Moore’s no-holds-barred books and films attacking the American
abuse of power at home and abroad rounds out this genre. There are dozens of films, books, and
documentaries in other languages feeding the culture of anti-corporate and democratic dissent.³

*International Organizations*

The second feature of the global cultural economy is the newly emergent intergovernmental
organizations which provide the necessary regulatory dimension that make markets possible. The
World Trade Organization is the first fully-realized institution of international trade governance.
It governs the regulations for international exchange of goods and services. Most important for
our discussion are its newest regulatory frames for trade in services and intellectual property.
The General Agreement for Trade in Services divides services trade into four modalities,
covering everything from the provision of financial services to the movement of service
providers.⁴ Civil society activists are concerned that the liberalization of services trade will lock
in the current unequal division of labour in the global economy (Freedman 2002).

The Trade Related Intellectual Property Rights Agreement is highly controversial because it
creates strict standards for the treatment of intellectual property rights (Mercurio 2004).
Intellectual property is one of the largest growth areas in the global cultural economy and
activists are furious that Northern media and entertainment multinationals would attempt to fence
in creativity in order to protect corporate profits. The present intellectual property regime is
unlikely to enforce compliance because global publics habitually ignore the protestations of
transnational corporations that without exclusive property rights, these titans of the global
cultural economy will be boarded and scuttled by Southern pirates (Kantor 2004).
The other major network of intergovernmental regulation is centered at the United Nations and its specialized agencies. The concerns of activists, publics, and governments about the subordination of cultural trade to WTO discipline have been taken to the United Nations Educational, Scientific and Cultural Organization (UNESCO), one of whose mandates is to promote cultural diversity and pluralism in artistic expression (UNESCO 2000). Intense negotiations at UNESCO with the aim of removing the trade in cultural goods from under the WTO’s direct supervision because of national concerns that culture should not be treated like other commodities, led to the 2005 of the international *Convention for the Protection and Promotion of the Diversity of Cultural Expressions* (see Isar chapter in this volume).

*New norms*

The third feature of the global cultural economy is its capacity to generate norms that are distinct from the norms that govern conventional commodity trade. The norms of cultural exchange include diversity, accessibility, and exclusive rights over creative output. This is not necessarily the same as patent protection as it is conventionally understood. In the realm of culture, rights to the fruit of creativity do not necessarily impinge upon rights to access knowledge (Lessig 2004). Furthermore, rights are not commodities themselves, but rather they simply guarantee that creators may enjoy the fruit of their labour. Best practice standards in market economies are prescribed by law and regulation. But in the global cultural economy, there are no set standards for diversity and accessibility (Ryan 1998). Nevertheless, the ideal is a marketplace for goods and services that is supported and sustained by a robust cultural commons. The cultural commons is a public realm for creative sharing, where ideas, not capital, are the primary currency of exchange.
The cultural commons is that portion of culture that remains in the public domain, in which artists, as individuals and citizens, exchange ideas and promote creativity (see also chapter by Frances Pinter in this volume). The idea of the cultural commons has been popularized by the Internet. The anonymity of online interaction facilitated the growth of a libertarian social environment. The rapid growth of the social element of ‘virtual reality’ was no doubt fueled by the fact that real world public space is encroached upon by omnipresent property rights and aggressive corporate branding. The cultural commons exists partly in the real world of parks, museums and urban streetscapes, but it looms most vividly in our collective ‘virtual’ reality of unfettered libertarian and hedonistic experience and new citizen practices. As such, it embodies this generation’s contradictory longing for collective identity and expectation of individual fulfillment. The boundaries of the cultural commons are constantly shifting and evolving (Drache 2001). The ‘virtual’ commons has not yet acquired a formally regulated and protected institutional presence. It is an intensely conflicted space because many governments and international institutions are locked in a dichotomous discourse, unable to grasp how culture can be a commodity and tool of identity at the same time. Culture is central to social relations and building cohesive societies because it intersects with closely held social values, public perceptions, and popular sovereignty (Tomlinson 1999).

**Global citizenship**

Emergent citizenship practices are the fourth important feature of the global cultural economy. The concept of citizenship untied from a national context became possible with the birth of the internet. Virtual worlds require an ethic of personal responsibility and standards of appropriate conduct no less than do nations. The notion of transnational citizenship was theorized in the
1990s as a form of cosmopolitanism (Held 1999). Cosmopolitanism was an all-encompassing creed that denied the importance of locally rooted identities. Theorists of cosmopolitan citizenship failed to grasp the singular importance of the local for the practice of citizenship (Gowan 2001). In the global cultural economy, the concept of citizenship is not tied to the nation-state, but it does remain rooted in a commitment to the local. And when these global/local publics speak of the Public, it means those actions, policies, and practices that are shared by all members of the community and promote its general welfare (Drache 2004). When they cheer and fight for the integrity of their community, cultural theorists argue that they establish new citizenship practices and new ideals of pluralism.

In a way that mirrors Habermas’s idealized account of the global sphere of interactive communication, many theorists believe that the modern ideal of the public is shaped and affirmed through citizenship engagements which build real and virtual networks generating new knowledge and cultural practices around globalization and its potentiality. Earlier research exaggerated the determining role of corporations on consumers and audiences and overstated the passivity of consumer networks. In his influential book on Latinity, Americanness and global consumption, Nestor Canclini’s (2001) central proposition is that consumption has been transformed into “an arena of competing claims” and “ways of using it.” Flows of media text and critical ideas help reconstitute a social bond that has been sundered by neoliberal cultural funding cutbacks and mind-numbing appeals to consumer materialism.

*Agency and Structure in Four Cultural Sectors*
To understand the transformative potential of global cultural flows for northern capital and southern development, one needs a sense of their magnitude and intensity. US$1.2 trillion was spent in 2003 on various forms of advertising and entertainment around the world. Many in the global south have been struggling to come to terms with the magnitude of global cultural production (Price Waterhouse Coopers 2004). But as Singh demonstrates (see box), southern regional economies grouped around India, China, Mexico and Brazil have become competitors and rivals to the north’s ambitious attempt to influence popular culture (Singh 2007).

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<th>Cultural industries: from national to global governance</th>
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<td>There is both irony as well as contradiction in the international discourse about protecting ‘national’ cultural industries. The irony: the new salience of the national context in global measures follows decades of relative neglect by most governments. The contradiction: many countries seeking ‘protection’ are among the world’s biggest cultural exporters. Cultural industry initiatives in international organizations are now driven forward largely by governments, with some input from civil society and industry initiatives in select cases. The UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions affirms the right of nation-states to formulate cultural policies that promote cultural diversity. International organizations’ capacity-building initiatives now target national governments or seek their support to make sure that the cultural industries are targeted. This emphasis is a new challenge to nation-states, who are now expected to engage with this issue after a long period of neglect. Most ministries of culture have hardly been powerhouses. As the issue of cultural industries becomes important globally, it boosts the importance of cultural ministries. Yet what the ministers of culture propose at UNESCO, trade ministers oppose at the WTO. The global culture wars are also national turf wars. The Uruguay Round of trade talks</td>
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(1986-94) at the General Agreement on Tariffs and Trade galvanized the debate on cultural exports and this has led to the adoption and rapid entry into force of the UNESCO Convention. There are some contradictions here. While the force of the international coalition that achieved this result rested upon the feared onslaught of US cultural exports, those seeking cultural protection are themselves top cultural exporters or seek to become so. According to statistics released by UNESCO in 2005, Canada and France rank among the top ten countries in terms of international trade in cultural products. And while the share of trade for the United States and European Union has declined, that for East Asia has doubled and is increasing for developing countries as well. While UNESCO statistics might well underestimate the scope of U.S. exports by counting customs data and not royalty receipts, the undercounting issue goes beyond the United States in significant ways. For example, these statistics ignore related activities such as information technology, advertising, and architectural services, many of which are now outsourced to developing countries. Similarly, emerging centers of film and television production in Argentina, Brazil, Mexico, Egypt, West Africa, South Africa, India and China are also underestimated. Lastly, if cultural tourism receipts are included, the total ‘exports’ of those seeking cultural protections rises even more. According to the World Tourism Organization, France tops international tourist arrivals, accounting for 75 million of the 763 million total in 2002.

International efforts to raise the stature of cultural industries politicize this issue in territorial national identity terms. It is not clear how the nation-state, which has a rather patriarchal presence in international relations, can co-exist with or boost cultural and creative industries that thrive on hybridity and extra-territoriality. Hopefully, as more discursive spaces open up for this
issue, international rule-making will feature hard deliberation and find a balance between
creative expression, cultural identities, and patriarchal nation-states.

J.P. Singh

The following four short sector studies attempt to give some perspective on the complex
dynamics between markets, regulatory institutions, norms, and new citizenship practices. Two billion people watch Latin American *telenovelas* and the same number are fans of Indian films. Satellite television and digital video recorders have facilitated this Innisian reallocation of power from the centre towards the margins of the political world. The growth of the global communications network has been unprecedented. The combined coverage of broadcast and satellite television, radio and cellular telephones includes approximately 70 per cent of the world’s population (Drache, Morra and Froese 2004). In his pioneering studies, Hall showed that publics are not passive and disinterested spectators. Interpreting text requires engagement and discernment (Hall 1995). Audiences have become more informed, more focused, and unpredictable as they consume cultural products in increasing amounts.

*Film Production and Distribution*

Film is the icon of cultural globalization and one of the dominant contemporary cultural flows. In the USA, the creative industries are central to international trade. The export of movies, TV, music, books, and software generates more international revenue than any other single sector, including agriculture, aircraft, and automobiles. Further, ‘among such drivers of the economy, only the film industry has a positive balance of trade with every country in the world’. In every national jurisdiction, the USA sells more of its foremost cultural product than it buys – an outstanding feat for an industry characterized by such high levels of value added. US movies are
distributed in more than 150 countries, a broader market than even the lucrative television market. However, only a fraction of film revenues are taken at the ticket counter.

Most revenues come from overseas distribution and the international markets for releases of films on DVD. The global market for film is worth approximately US$75 billion annually and accounts for almost 10 per cent of the global entertainment sector. The market for television is almost twice as large and, while it is widely acknowledged that Hollywood makes tremendous profits from overseas markets, rival centres of production are flourishing (Pendakur 2003).

India’s ‘Bollywood’, film production in China, the animation industry in Japan and television production in Mexico, Venezuela and Brazil, where the telenovela (soap opera) enjoys unrivalled popularity, are only a few examples of these competitors. In terms of number of releases, the Mumbai film industry is the largest in the world, releasing more than 1000 films in 2002. On average, no fewer than 900 films are produced annually in India (UK Film Council 2002). Few experts have stressed this southern aspect of the picture. The global south is developing rival centres of cultural production in many regions, in ways that nobody could have foreseen even a few decades ago (Canclini 2001).

Grant and Wood (2004) describe how, when traditional market models are applied to trade in culture, the phenomenon of the film ‘blockbuster’ often chokes creativity and ultimately starves the market of diverse cultural products. Media companies often bet on the cultural product that seems most likely to sell most quickly, such as blockbuster movies and pop music hits. In the free trade model, producers profit from economies of scale at home and reap massive gains from
culture markets abroad. This is the thinking that currently dominates global trade. The goal is to create a virtuous circle between local production, global distribution and the cosmopolitan consumer – an integrated, global commodity chain for culture. For its part, the WTO is a ‘dealmaker’, creating linkages between copyright protection, market consolidation, and corporate expansion. This is accomplished through binding dispute settlement, a much more effective mechanism than old fashioned diplomacy (Weiler 2000).

*Television Production and Broadcasting*

Television is perhaps the most ubiquitous of global cultural products. More people watch television than use any other medium (except radio) (ITU 2004). New communications technologies are dwarfed in comparison. There are more television sets than people in every part of the world except Africa, where by recent estimates there is one for every two people. In Group of Eight (G8) countries, by comparison, there exist approximately five sets for every person (Drache, Morra and Froese 2004). While US television is seen in fewer countries than film, it is more profitable, according to the latest research by PricewaterhouseCoopers.

With television so pervasive, global spending on cable television, new digital cable subscriptions, satellite TV, and pay-per-view movies exceeds US$140 billion per year. Further, the amount spent on television advertising adds another US$120 billion to an already lucrative market. In terms of audience, television remains unrivalled, far outpacing newspapers and the Internet as the foremost choice for news and entertainment around the world. It is estimated that
spending on cable and satellite television will continue to grow at a healthy 7 per cent for the foreseeable future (Price Waterhouse Coopers 2004).

Copyrights for television content have been a particular concern for big media companies, as the technology to create high-quality copies for broadcast is widely available. The biggest challenge to property rights for television content comes from small television stations that broadcast without paying associated licensing fees. Part III of the TRIPS agreement, which deals with the enforcement of intellectual property rights, has been an issue in Greece, for example, where US television programming is regularly used without the consent of copyright holders. This sort of theft is often cited as the main reason to tighten national copyright laws, despite the fact that most US cable companies were launched with the re-broadcasting of network programmes, which were essentially pirated from NBC, ABC and CBS (Lessig 2004).

In the history of intellectual property law, there have always been turning points where rights could have been interpreted narrowly by judges and law makers. One such fork in the road occurred in the first half of the twentieth century, when US courts determined that the public good of free culture outweighed the negative externalities for private economic actors. The history of copyright law shows that there are negative consequences to constraining new technologies and ring-fencing small cultural producers because of the threat posed to intellectual property rights. Lawrence Lessig (2004) describes how early producers of film, cable television and radio used pirated content to great commercial success and how their actions were upheld by the US Supreme Court. Cultural creativity is a dynamic process that relies upon an ethic of public sharing. ‘The law should regulate in certain areas of culture – but it should regulate
culture only where that regulation does good’ (Lessig 2004: 305). Locking up culture in the
private sphere of commerce stifles the creative spirit upon which private actors draw in order to
create and sell their product.⁵

Books, magazines and newspaper Publishing

Books, magazines, and newspapers account for almost US$150 billion of annual consumer
spending. As an important set of cultural products, the majority of books are sold in the global
north, but southern markets for newspapers are massive. Cheap newspapers are the primary
means of conveying ideas in the mega-cities of the global south such as Rio de Janeiro, New
Delhi, Jakarta, and Shanghai. The world-wide market for newspapers, both in sales and
advertising, was worth US$56 billion in 2003. In every major city across Latin America, Asia,
and India, there are dozens of daily newspapers in local languages and these are a key venue for
advertisers of local goods and services. Print industries are still expanding at a combined average
of almost two per cent annually, making them attractive for local producers who can find a
market niche.

Magazines and newspapers are building blocks for national culture and as such are closely
protected by governments. Many governments in both the developed and developing worlds
indirectly support publishing through many different kinds of subsidies.⁶ The most important
cultural protection dispute to date at the WTO involved US magazines sold in Canada. While
magazines do not have the profile of audiovisual products, the Internet has revolutionized the
publishing process. When a US publisher used the Internet to circumvent Canadian law banning
the importation of split-run periodicals – that is, special issues containing advertisements primarily directed at the Canadian market but replicating the editorial content of a foreign issue – the Canadian government imposed a massive excise tax and the USA issued a legal challenge (Canada 1996).

Article III of the General Agreement on Tariffs and Trade (GATT) states that a country must treat imports in the same way that it treats domestically produced products. The USA argued that Canada’s magazine regime unfairly discriminated against imported products (US split-run magazines). The Canadian government responded by declaring that its magazine regime was needed to protect Canadian culture and therefore legal under GATT Article XX, which allows for the protection of public morals, public health and works of artistic or historic value. It argued that Canadian magazines cannot be directly compared to US magazines on the basis of their physical form alone (the dispute settlement panel compared two news magazines, Time and Macleans, in terms of size, number of pages and type of paper used). However, physical characteristics are never definitive when comparing cultural products. Canadian magazines carry content important to Canadians; their significance to maintaining Canada’s cultural distinctiveness must also be considered (Schwanen 2001).

The important issue for Canada and the EU, which saw this dispute as an important test case, was whether one was domestically owned and carried domestic news. The panel disagreed, saying that the relative distinctions for the basis of trade are physical – what kind of magazines were these? Are they similar products? The panel’s decision stressed that market share should be decided by free competition and not by cultural policy advocacy. Policy experts consider this to
be one of the most significant disputes so far because it highlights the institutional incapacity of the WTO to break free from narrow and deterministic legal thinking. Nevertheless, cultural communities see the issue in terms of cultural intangibles, not legal principles such as standard of review or most favoured nation. Because freedom of expression is a core value that reflects the plural and diverse experience of many societies, it cannot be treated as a commodity, stripped of its social and creative contexts. WTO jurisprudence does exactly this in most cases. To the policy community, this decision sent a clear signal that the WTO lagged far behind other networks and institutions when it came to thinking about the cultural economy.

The Internet and Online Connectivity

As the newest form of communication since the introduction of television, the Internet is expected to grow extremely rapidly. But the heyday of the 1990s, when everything was available for free on the Internet, is largely over. User fees and subscriptions have replaced public access. Advertising is a huge source of revenue for most sites with high volumes of ‘traffic’. Already a sector with an annual turn-over of $100 billion, combined global spending on Internet access and online advertising is expected to continue its growth spurt of 17 per cent annually into the next decade. Internet growth has been fastest in the north. In G8 countries, the number of people using the Internet exploded from 7.3 million in 1993 to 297 million in 2001. Similarly, in the G20, the number of Internet users rose from 430,000 people in 1993 to more than 25 million in 2001. As of 2005, a billion people are online.
India and China are quickly closing the gap. During the same period, use in Asia grew from 14 million to 74.1 million people. In Africa, where telephone landlines are often a luxury, the proliferation of digital technology has faced obstacles associated with lack of infrastructure. Third generation wireless Internet technology has been slow to penetrate and cheap modems must contend with unreliable phone lines. Nevertheless, Internet usage blossomed from approximately 40,000 people to an estimated 4.25 million in the 1990s and, with the advent of the notebook computer costing US$100, growth undoubtedly will accelerate (Drache, Morra and Froese 2004). The digital divide in Africa is slowly shrinking, even as HIV/AIDS and crushing poverty ravage the continent (Freedman and Poku 2005).

Broadband is the next generation of digital communication technology that is set to revolutionize the online experience (Morrison 2004). Television, movies, and even phone calls are now available through a broadband connection. In 2003, China had twice as many broadband Internet subscribers as Canada – 8.6 million to Canada’s 3.9 million. The USA leads with almost 22 million broadband subscriptions. However, nowhere in the world has broadband made faster inroads than in Korea, where 70 per cent of all households are connected by broadband. In North America and Europe, price is still a key factor in broadening and deepening diffusion. As prices are expected to fall in the next five years, consumer research groups estimate that the current global market of 100 million broadband subscribers will grow to more than 300 million (Morrison 2004). Double-digit growth in broadband is projected to continue until 2010, if not longer (Price Waterhouse Coopers 2004).
The appeal of broadband for vertically integrated corporations is in the ability to bundle different products and services, which are usually sold separately. The media giants view it as the next technological frontier, with limitless profitability; this is the motor behind many of the new mergers and acquisitions occurring across Europe and North America. Broadband Internet will deliver movies, television and telephone services – all in addition to standard Internet services. Competing in broadband technology requires significant financial reserves, an established market presence, and a ready source of cultural content (Lessig 2004). Technology makes this bundling possible, but the WTO’s expansion of market access and promise of economies of scale makes this opportunity too important to pass up for media giants hungry for the efficiencies found in market consolidation. In the battle for cultural dominance, the media corporations have won the first round.

Global Cultural Flows: The Normative Dimension of Interactive Communication

Global cultural flows are intense transnational movements of people, media, texts, and ideas that are disjunctive to financial flows and have unpredictable streaming effects on diasporic communities and cultural diversity. They give rise to agenda-setting publics with new authority structures that are highly normative. Many countries, such as the United States, Canada, Germany, Japan, and India, effectively use global markets to produce and promote culture. However, most of the world does not have the resources to sustain the economies of scale required to compete on equal terms with Time Warner. Nevertheless, tourism, entertainment production, art and other forms of media are vital to the gross national product (GNP) of all countries.
Cultural trade in these industries is a significant portion of GNP in Western European, North American and the highly developed Asian economies. “States are now moving toward either prioritizing cultural industries as a whole at the forefront of their development efforts or singling out priority sectors” (Singh 2007). For developing countries heavily reliant on international trade, trade in cultural goods has become an important factor in economic development strategies (UNESCO 2000).

Culture flows as broadly and deeply as it does today because more people can read now than at any other time in the past. Few experts have confronted the transformative potential of the rise in literacy worldwide. According to Emmanuel Todd (2003: 27), this may be the most significant trend of our times, transforming the poorest states from ‘least developed’ to ‘developing’ nations, and at the same time raising social, political and economic expectations in the global south. The growth of civil society and social movements, even in traditional societies, has been accelerated by rising educational standards and media literacy. With so many new political actors, the information age has moved from rhetoric to reality. All too frequently, a narrow economic focus on globalization misses the transformative effects of technology, liberalization, and new forms of public administration (Held et al 1999).
Developing skills for the cultural economy requires raising literacy rates with a greater investment in education – an area of primary importance for developing nations. As literacy levels rise, cultural policy becomes part of a strategy for social cohesion and inclusion. Over the past 20 years, fertility rates have fallen in almost every country across the globe (Todd 2003). As societies redefine gender roles, corresponding values, rules, institutions, and family practices are transformed in new ways. Identity becomes a strategic resource to facilitate the active participation of both genders in the public life of southern societies. Having soared in the past 20 years, literacy rates are closely associated with this process. Even in such places as Afghanistan, torn by poverty, civil war and violent religious oppression, literacy rates have more than doubled (from 18 to 47 per cent; Todd 2003: 23).
US cultural industries and the US State Department have found themselves increasingly on the defensive. The US-backed corporate agenda for global free trade in culture consists of a single ambitious goal – bigger national markets for American cultural products. Growing the market requires convincing consumers to spend more. US consumers spend the most, accounting for at least 35 cents of every dollar spent on media and entertainment worldwide, and are willing to spend larger portions of their wages for entertainment (Price Waterhouse Coopers 2004). Capitalizing on this demand is of first-order importance. Concentration of ownership in the Anglo-American market is a natural outgrowth of this drive to capture the lucrative home audience. Media conglomerates eye the global south as the next logical frontier. China and India are especially important to this strategy because of their emerging middle class, not to mention the fact that these two domestic markets account for a third of the world’s population. The aim is to consolidate international markets with a focus on the global south. Expansion in the south is less predictable and profits are less assured than many companies assumed when they began forays into Asia and post-communist Eastern Europe in the 1990s.

In a world dominated by global cultural flows, states often equate protection of identity with their continued political viability. Culture flows often produce disjunctive outcomes for producers who are not part of the Anglo-American circuit for English-speaking culture. If we were to map global cultural flows, three features predominate – the sheer commercial intensity of media and entertainment, the asymmetrical movement of people and capital, and a dualistic tension between the commercial and private and the popular and public. As a result, regulating the political economy of culture presents new opportunities and risks for international policy makers.
Three Policy Strategies for Regulating Global Cultural Flows

Governments play a critical role in developing the global cultural commons and channeling the flow of culture across national boundaries. Paradoxically, the global cultural commons is rooted in national cultural policies and local citizenship practices. As cultural goods production has increased in economic importance, Canada, the USA and the EU have developed contrasting and competing views on the role of the state in cultural protection and promotion. The EU looks to build linkages and networks between state regulatory policy, Brussels and cultural producers (Burt 2005). This tripartite approach is difficult at the best of times, but has been quite effective nonetheless. The EU is linguistically and socially diverse and its internal stability depends upon a pluralistic approach to the global commons. It regards freedom of expression as important to protect as part of its commitment to the social market. The EU is very proactive at the supranational level and recognizes that culture is a public good to be nurtured, much like the environment, for its 450 million citizens.

The Anglo-American model is sharply contrasting in its regulatory and market dimensions. It should be noted that, despite the fact that Britain is a member of the EU, its elites share many ideas with their US counterparts. Simply put, this model views diversity as a function of competition and not the other way round. Consumers choose their cultural diet from a buffet of options. Just like many buffets, portion size is more important than quality and breadth of choice. The Anglo-American model requires super-size profits and relies on regulators to create an environment conducive to corporate growth. US media conglomerates are aggressively promoting the US State Department’s objectives to broaden copyright law and deepen trade
liberalisation. In contrast, policy makers in the EU understand that the culture/trade interface cannot be one-dimensional and trade must accommodate diversity (EU 2003).

The model that Canada has pioneered is one of public–private partnerships with a large role for public broadcasters and an even larger role for private actors. The result is a 70/30 mix with public institutions and broadcasters not as well funded as their European counterparts, but offering Canadians a more robust public alternative than is available in the United States. The model is held together through a program of public advocacy and accountability that often promises more than it delivers (Grant and Wood 2004). Nevertheless, it has been a prominent nation-building strategy and is still broadly supported by all of Canada’s diverse regions. It has declined in the past decade, as a result of the federal government’s obsession with fiscal austerity. Yet it remains an important feature of Canada’s institutional superstructure. Its selling point for the global south is that it protects social diversity while promoting market competition.

This hybrid works for proactive national standards while emphasizing the linkages between domestic cultural producers and transnational cultural and economic actors (Zemans 2004). One result is that Japan and Germany, not the most obvious markets for Canadian literature and television, are two of the largest consumers of Canadian cultural products in the world. The ubiquitous Anne of Green Gables series of books and television programs set in Prince Edward Island are extremely popular in Japan (Allard 2002). Canadian literary icon Margaret Atwood has a significant following in Germany.
Canada is open to forming alliances with multicultural countries and others in the global south that are skeptical about the willingness of US entertainment industries to use their dominant market position for good. Under WTO governance, trade in cultural goods has accelerated and many local industries have been swamped by US cultural imports. They face new dangers such as corporate concentration of ownership in the cultural industries and the growing dominance of English language entertainment. These challenges have highlighted the corresponding need to safeguard language rights and defend local cultures from predatory trade practices.

The worldwide interest in cultural policy has become one of the new frames for our age. The Canadian magazine Adbusters has posted an online Media Carta for individuals to sign, demanding that the right to communicate, including the right for citizens and civil society to buy radio and television airtime under the same rules and conditions as advertising agencies, be enshrined in the Universal Declaration on Human Rights. New ideas about the importance of culture to human freedom and social empowerment have created a dialogue between policy makers and global publics on the future of cultural diversity in an age of free trade.

Of course, the UNESCO cultural diversity Convention referred to earlier is soft law at best, and with no enforcement teeth. Furthermore, it is easy to sign on to an international instrument that promises to buttress state authority in an era when it seems that the legal authority of states is increasingly under challenge. Only time will tell if this interest in cultural pluralism on the part of many countries will balance the asymmetries of present day cultural flows. The fact that there is no single template buttresses continued diversity across contrasting jurisdictions and has
become an important constraint on dominant industrial players attempting to impose their vision for regulatory harmonization.

**Conclusion: Innisian Dissent and the Public Sphere of Interactive Communication**

New information technologies have made possible the organization of many different kinds of public forums for dissent and political action at the global level. Although it has taken the better part of a decade to get up and running, it is now almost impossible to turn off the global dissenting public’s attention-getting activism because so many issues from the environment to the growth in global poverty are linked to the world trade organization and its impact on public policy. The recent past underscores the fact that there are many connections between cultural flows that make powerful new claims on the real and symbolic economy – the images, lifestyles, and ethnicities –of Innisian dissent. What is the magnitude of these flows? What causes them to surge? Structurally, why are global cultural flows frequent competitors and rivals to global financial flows? For now and into the future, what kinds of institutional pressures are driving global dissent? Where are we in the dissent cycle? Still on the upswing, entering the long plateau, or heading toward the inevitable downturn?10

A vast public has been connected in ways that no one could have predicted even a decade ago. More people are informed today about trade politics, environmentalism, and social justice than at any other time in the past. Significantly, the lag effects between the awareness and the ability to create a new world of structures, organizations, and stable social forms are smaller than a decade ago, but are still demonstrably large. One important development is that today news flows from
diverse sources. CNN, Al Jazeera, BBC World, and TV5 reach over the heads of the anti-
globalization movement and governments to audiences worldwide. Furthermore, new forms of
digital dissent are supplementing and perhaps even displacing public protest of the sort that
defined the uprisings of 1968. Now, one does not have to wave a placard to be a dissenter. In
fact, blogs, MySpace, FaceBook and YouTube are potent tools for expression and dissent with
transformative potential for their users.

What is remarkable is that this recent upsurge in interest and public attention has not followed
the predictable path that Anthony Downs (1972) wrote about so persuasively, in the early 70s, in
his seminal article on the ‘issue attention cycle.’ Downs explained that with most public issues
the ‘problem suddenly leaps into prominence,’ rivets the public’s attention and then fades from
view, largely unresolved. Downs’ theory predicted that consumers of information get bored with
big issues such as the environment and governance. Today’s global public possesses a longer
attention span, which has been revealed to be more committed and less fickle than Downs
erroneously predicted.

The reallocation of power that comes with technological change is not a new phenomenon. The
industrial revolution brought with it a series of transformative social changes that culminated in
the revolutions of 1848. Similarly, scientific revolutions of the twentieth century, including the
invention of the birth control pill, fundamentally reorganized the power dynamics of society,
freeing women from patriarchal reproductive dynamics and fueling the dissent movement of
1968. Today, the digital communications revolution is also changing the social landscape, with
the power to free millions of people from the marginalization that comes from having no voice in
global affairs. These three major transfers of power, from market to state, from men to women, and from transnational elites to the global citizen, share a common theme. They have been the great levelers of class relations and have redefined the relationship between agency and structure. None of this has occurred in the way that Marxians had hoped for. Nor has this practice conformed to Hayekian theology that markets operate seamlessly in response to the invariable laws of supply and demand.

This chapter has argued that the agency and voice facilitated by Innisian power dynamics play a crucial role in broadening and deepening cultural flows. In turn, these have fueled new citizenship practices. The democratization of political voice gives global publics the power to change state policy in fundamental ways. Habermas’ idea was that citizens can change state policy through acts of assembly. Before the Internet era, he thought that this had to happen through face-to-face interaction. Today, digital technology has facilitated this process in a radical and decentralized way, and communities of unprecedented influence and reach are formed online. The Washington Consensus prioritized system and structure as the key drivers of public policy; internet, satellite communications, cellular phones, text messaging and even radio and television have turned conventional wisdom on its head. The global cultural economy is instrumental in shaping the fully realized citizen, rooted in the local, but deeply interested in, and able to influence global issues and events by forming active communities of choice rather than disinterested communities of fate.

Notes

1 For a particularly pessimistic view of the ways that structure and system are empowered by new information technologies, see Henning Ziegler.
2 Cell phone manufacturers have begun to cater to southern consumers, producing handsets for the Muslim world that point in the direction of Mecca and ring the user at prayer time. Mobile providers in India offer services for the Hindu on the go. For a nominal charge, the user can send a prayer over the wireless network, to the appropriate temple. Culture plays an important role in the evolution of technology in different regions (Srivastava 2004).

3 For a contrarian view see Johnson (2005).

4 For complete texts of WTO agreements see www.wto.org.

5 The US Supreme Court upheld the rights of music companies and cracked down on file-sharing software. Nevertheless, efforts to curb losses are not expected to heal the wound dealt by digital piracy until the end of the 2006 fiscal year. Music publishing is becoming more competitive, as market leaders try to develop and market more effectively their catalogues of music. Apple Computers is the prime example – the iTunes and iPod divisions now account for the bulk of Apple profits, proving to be even more popular than the ubiquitous Macintosh computer. There are profits to be made at the margins by uncoupling music publishing from recording in order to focus on development of markets for existing work – from bulk sales to radio stations to television commercials, movie soundtracks and even toys. The revenues from these markets are vast and multinationals are moving quickly to exploit the full economic potential of existing copyrights.

6 For example, in France newspapers are tightly regulated and generously subsidized by the government, to the extent that reporters on assignment receive half-price fares on French railways.

7 Since the GATT came into force in 1947, Article XX has never been successfully used to defend culture.
What is most troubling is that WTO agreements contain no effective solution to the problem of public goods in commercial trade. Furthermore, countries attempting to protect culture will be punished in litigation.

8 The International Network for Cultural Policy has been Canada’s most critical contribution in this vein. It has become the policy portal for trade and cultural policy ministers across OECD and developing countries (see www.incp-ripc.org). Beside the INCP, cultural activists from the global north and south have created the International Network for Cultural Diversity (INCD) in order to build a popular, non-governmental constituency around many of the key issues being addressed by INCP ministers. There was a vacuum at the global level and these networks of activists and policy experts have begun to fill it, a striking example of an incipient global civil society movement that has concrete policy influence.

9 See www.mediacarta.org

10 International civil society has acquired legs that were scarcely present a decade earlier. It is not insignificant that according to the most reliable estimates the NGO global public, an omnibus of groups, civic organizations and coalitions numbering in the ten of thousands, mobilized 25 million people worldwide to march early in 2003, weeks before the US invaded Iraq. Global protests like this one, and many others that are not in the public eye, have taken the dissent movement to new levels of intensity.

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