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Headline: `CULTURAL IMPERIALISM' IS NO JOKE

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Washington's crusade for free trade is often seen abroad as a Trojan horse for companies, such as Walt Disney Co. and Cable News Network, that would dominate foreign lifestyles and values. Most Americans react to these fears with a shrug. That's a big mistake.

The entertainment industry, including movies, music, software, and broadcasting, is America's second-largest exporter after aircraft and has penetrated all global markets. Films such as Lethal Weapon are hits on every continent. Reader's Digest publishes in 19 languages. Windows computer programs and MTV can be found in remote corners of China.

The transmission of our culture goes beyond the arts or the media. When Washington exalts free enterprise, it promotes the notion that individual freedom has a higher value than government authority. When it advocates the rule of law overseas, it pushes a U.S.-style legal system.

REBELLION. From the Roman to the Soviet empires, superpowers have aimed to spread their cultures, and from Lorenzo de' Medici to Michael Eisner, there has always been a link between commerce and culture. Still, while America's lifestyle and ideas can be liberating and uplifting, they are also often destabilizing abroad. Movies and music frequently glorify violence and rebellion. Darwinian capitalism requires societies to uproot traditional structures without adequate regulation, safety nets, or education. The U.S. legal system encourages confrontation, not conciliation.

Americans should not have difficulty empathizing with foreign fears of cultural invasion. Recall U.S. anxieties a decade ago when Sony Corp. bought Columbia Pictures and Mitsubishi Corp. purchased New York's Rockefeller Center. Now reaction against American ``cultural imperialism" is building. Just a few years ago, France almost torpedoed the Uruguay Round of global trade negotiations because it wanted to limit the activities of U.S. entertainment companies. Last spring, a multilateral treaty on investment rules was derailed in part because of a spat between Brussels and Washington over protection of Europe's cultural industries. In August,

Canada called together 19 other governments to plot ways to ensure their cultural independence from America. Mexico is considering legislation requiring that a certain percentage of its media programming remain in the hands of its citizens. U.N.-sponsored conferences on preserving national cultures are proliferating. In contrast to the American preference for financial liberalization, capital controls are becoming respectable in Asia.

The U.S. should do more than heed these warnings; it should recognize that strong cultures abroad are in America's self-interest. Amid the disorientation that comes with globalization, countries need cohesive national communities grounded in history and tradition. Only with these in place can they unite in the tough decisions necessary to building modern societies. If societies feel under assault, insecurities will be magnified, leading to policy paralysis, strident nationalism, and anti-Americanism.

With satellites and the Internet, the spread of American culture cannot be stopped--nor should it. But Corporate America and Washington could lessen U.S. dominance by encouraging cultural diversity around the globe.

Companies such as Time Warner Inc. and PepsiCo Inc. could fund native entrepreneurs wishing to create local cultural industries. They could showcase regional film and theatrical productions and finance university research and teaching in the region's history, art, and literature.

The Clinton Administration could reverse current trade policy and permit temporary quotas and subsidies abroad to preserve certain local cultural industries, such as film and TV. It could encourage the World Bank to build up foreign countries' tourism infrastructure. It could expand assistance to U.N. efforts to restore national monuments that have been neglected or destroyed.

At a time when so many nations that have recently embraced Adam Smith are in deep recession, the Treasury and State Depts. could lower the volume on their rhetoric about the magic of the free marketplace. And when so much of U.S. society is fed up with inordinate litigation, officials could be more modest about the glories of America's legal system.

Protecting national cultures could soon become a defensive rallying point for societies buffeted by globalization and undergoing tumultuous change.

Being more sensitive to foreign concerns would ease the prospect of backlash and even bolster America's ability to export its ideas and ideals for the long haul. The U.S. should at least try.

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