

# Culture: the new edge in the information age

The winners in the emerging global economy will be those nations who successfully employ cultural diplomacy, cultural relations and cultural sales and services, says Harry Hillman Chartrand.

Chartrand, chief economist at *Kultural Econometrics International*, has made the study of the economics of international cultural relations his life's work.

"Culture is that new edge where countries will be able to compete on an uneven basis. Countries like Japan and Sweden understand this and have transformed the names of their countries so that they stand for quality on the international market."

North Americans lag behind our European and Asian counterparts because of our strictly utilitarian bias, a trait which served us well at one time but is now a liability, says Chartrand.

"We have to remember that a hundred years ago we talked about the arts and the sciences. We've forgotten half the equation in North America."

Chartrand recommends a remarriage of art and industry. He believes that the model of the information economy is too focused on the intermediate demand of producers, and therefore on science and technology, and not enough on the final demand of the consumer, as supplied by the artists and designers.

"North Americans have been very slow to realize that it is not just technicians in white coats but also artists in design shops that provide the competitive edge."

Chartrand points out that, because a microchip can fit into anything, form no longer follows function. You can have a telephone that looks like a hamburger.

"So the emphasis isn't on the production of these standardized chips but on the forms that they go into: the best looking thing that works. If you look at the upscale of the marketplace you find Armani, Volvo, BMW and Ikea. It is not that these goods are just superior in their function; they also look good."

Getting this international competitive edge means more of an emphasis on the arts and arts education at home, but it also means more attention must be paid to international cultural relations.

Chartrand sees international cultural relations as being divided into three distinct yet related fields: cultural diplomacy, cultural relations, and cultural sales and services.

"Essentially cultural diplomacy is the pursuit of national self-interest and the use of cultural activities to achieve those objectives.

"Cultural relations is the pursuit of mutual interests: culture is used to increase mutual understanding, tolerance and the removal of stereotypes. Cultural relations is life affirming. It is about the things that make life worth living.

"Cultural sales and services is the new field I've added in recognition of the fact the arts industries have become major economic and sociological forces in their own right. For example, at the present time 18 to 20 per cent of the world's US\$250 billion entertainment and media market is controlled by five major media corporations.

Through those firms, young people around the world are dancing to the same rhythms. We are seeing the emergence of a global culture on the pop level."

These classifications are convenient for the study of culture in terms of global political economy, but Chartrand warns against having too rigid a view of the categories.

He offers an example of the crossover between international cultural relations and cultural sales and services: the proliferation of international co-production agreements.

"On the one hand they are being signed as if they were

cultural agreements, when in fact they are intended to produce products for sale. For example, the number of productions which are produced by Canadian firms like Atlantis Films in places like France, using French actors acting in English, that end up on American television, is growing in leaps and bounds. We are seeing the decline of the American cultural empire."

The Americans themselves may be feeling threatened, witnessed by the attempts by Congress to limit the number of visas issued to foreign performers.

One thing is certain. Cultural industries are vital to the Canadian economy, says Chartrand.

"In Canada the arts industries — advertising, broadcasting, motion pictures, publishing, etc. — earn more than \$11 billion annually and employ more people than the federal government and its Crown corporations, more than any single manufacturing industry, more than the primary agricultural sector. These are big industrial sectors in their own right," says Chartrand.

