

Globalization and Cultural Choice

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"I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all lands to be blown about my house as freely as possible. But I refuse to be blown off my feet by any." —Mahatma Gandhi.¹

When historians write of the world's recent history, they are likely to reflect on two trends: the advance of globalization and the spread of democracy. Overall the advance of globalization has contributed greatly to human progress. However, globalization has been the more contentious, because it has effects both good and bad, and democracy has opened space for people to protest the bad effects. So, controversies rage over the environmental, economic, and social consequences of globalization. But there is another domain of globalization, that of culture and identity, which is just as controversial and even more divisive because it engages ordinary people, not just economists, government officials and political activists.

Globalization has increased contacts between people and their values, ideas and ways of life in unprecedented ways. People are travelling more frequently and more widely. Television now reaches families in the deepest rural areas of China. From Brazilian music in Tokyo to African films in Bangkok, to Shakespeare in Croatia, to books on the history of the Arab world in Moscow, to the CNN world news in Amman, people revel in the diversity of the age of globalization.

¹ This paper is a version of chapter 5 of the Human Development Report 2005: Cultural Liberty in Today's Diverse World. Fukuda-Parr, Ghosh and Pettinato are director and members of the HDR2004 report team, and drafted chapter 5.

But while for many people this new diversity is exciting, even empowering, for some it is disquieting and disempowering. They fear that their country is becoming fragmented, their values lost as growing numbers of immigrants bring new customs and international trade and modern communications media invade every corner of the world, displacing local culture. Some even foresee a nightmarish scenario of cultural homogenization—with diverse national cultures giving way to a world dominated by English language and the global consumer culture of Nike sneakers, lavish swimming pools and promiscuous lifestyles embodied in the goods sold in modern shopping malls and portrayed in Hollywood movies. The questions go deeper. Do economic growth and social progress have to mean adoption of dominant Western values? Is there only one model for economic policy, political institutions and social values?

The fears come to a head over investment, trade and migration policies. Indian activists protest the patenting of the neem tree by foreign pharmaceutical companies. Anti-globalization movements protest the treatment of cultural goods as much as any other commodity in global trade and investment agreements. Groups in Western Europe oppose the entry of foreign workers and their families. What these protesters have in common is that each fears the loss of cultural identity, and each contentious issue has sparked widespread political mobilization.

How should governments respond? This chapter explores how policies that regulate the advance of economic globalization—the movements of people, capital, goods and ideas—can promote, rather than quash, cultural freedoms. It looks at three policy challenges that are among the most divisive in today's public debates:

? *Indigenous people, extractive industries and traditional knowledge.* Controversy rages over the importance of extractive industries for national economic growth and the socio-economic and cultural

exclusion and dislocation of indigenous people that often accompany mining activities. Indigenous people's traditional knowledge is recognized by the Convention on Biological Diversity but not by the global intellectual property rights regime as embodied in the World Intellectual Property Organization and the Trade-Related Aspects of Intellectual Property Rights agreement.

- ? *Trade in cultural goods.* International trade and investment negotiations have been divided over the question of a "cultural exception" for films and audiovisual goods, which would permit them to be treated differently from other goods.
- ? *Immigration.* Managing the inflow and integration of foreign migrants requires responding to anti-immigrant groups, who argue that the national culture is threatened, and to migrant groups, who demand respect for their ways of life.

The extreme positions in these debates often provoke regressive responses that are nationalistic, xenophobic and conservative: close the country off from all outside influences and preserve tradition. That defence of national culture comes at great costs to development and to human choice. This paper advocates the expansion of cultural liberties and so calls for the containment of these xenophobic tendencies. At the same time, diversity is to be promoted through further openness: to flows of migrants, flows of foreign film, and flows of knowledge and capital. The challenge for countries around the world is to design policies that widen choices rather than narrow them.

GLOBALIZATION AND MULTICULTURALISM

The impact of globalization on cultural liberty deserves special attention. Most studies of globalization's impact on human well development – including previous *Human Development Reports* - have addressed sources of economic exclusion, such as trade barriers that keep markets closed to

poor countries' exports, and of political exclusion, such as the weak voice of developing countries in trade negotiations. Removing such barriers will not itself eliminate a third type of exclusion: cultural exclusion. That requires new approaches based on multicultural policies.

Global flows of goods, ideas, people and capital can seem a threat to national culture in many ways. They can lead to the abandonment of traditional values and practices and the dismantling of the economic basis on which the survival of indigenous cultures depends. When such global flows lead to cultural exclusion, multicultural policies are needed to manage trade, immigration and investments in ways that recognize cultural differences and identities. And the exclusion of traditional knowledge from global regimes for intellectual property needs to be explicitly recognized, as do the cultural impact of such goods as films and the cultural identity of immigrants.

The aim of multicultural policies is not to conserve tradition, however, but to protect cultural liberty and expand people's choices—in the ways they live and identify themselves—and not to penalize them for these choices. Conserving tradition can help to keep the options open, but people should not be bound in an immutable box called "a culture". Unfortunately, today's debates about globalization and the loss of cultural identity have often been argued in terms of upholding national sovereignty, conserving the ancient heritage of indigenous people and safeguarding national culture in the face of growing inflows of foreign people, films, music and other goods. But cultural identities are heterogeneous and evolving—they are dynamic processes in which internal inconsistencies and conflicts drive change (box 1).

Four principles should inform a strategy for multiculturalism in globalization:

- ? Defending tradition can hold back human development.
- ? Respecting difference and diversity is essential.

- ? Diversity thrives in a globally interdependent world when people have multiple and complementary identities and belong not only to a local community and a country but also to humanity at large.
- ? Addressing imbalances in economic and political power helps to forestall threats to the cultures of poorer and weaker communities.

DEFENDING TRADITION CAN HOLD BACK HUMAN DEVELOPMENT

The first principle is that tradition should not be confused with freedom of choice. As chapter 1 points out, “To argue for cultural diversity on the ground that this is what the different groups of people have inherited is clearly not reasoning based on cultural liberty”. Furthermore, tradition can work against cultural freedom. “Cultural conservatism can discourage—or prevent—people from adopting a different lifestyle, indeed even from joining the lifestyle that others, from a different cultural background, standardly follow in the society in question”. There is much to cherish in traditional values and practices, and much that is consonant with universal values of human rights. But there is also much that is challenged by universal ethics, such as inheritance laws that are biased against women, or decision-making procedures that are not participatory and democratic.

Taking the extreme position of preserving tradition at all cost can hold back human development. Some indigenous people fear that their ancient cultural practices are endangered by the inflow of foreign investment in extractive industries or that sharing traditional knowledge necessarily leads to its misuse. Some have reacted to violations of their cultural identity by shutting out all new ideas and change, trying to preserve tradition at all cost. Such reactions reduce not only cultural choices but also social and economic choices for indigenous people. Similarly, anti-immigrant groups often defend national identities in the name of tradition. This narrows their choices as well by shutting them off from the socio-economic benefits of immigration, which brings new skills and workers to

an economy. And defending national cultural industries through protectionism reduces the choices for consumers.

In no society are lifestyles or values static. Anthropologists have discarded concerns with reifying cultures and now see importance in how cultures change, continuously influenced by internal conflicts and contradictions (see box 1).

RESPECTING DIVERSITY

The second principle is that diversity is not an end in itself but it promotes cultural liberty and enriches people's lives. It is an outcome of the freedoms people have and the choices they make. It also implies an opportunity to assess different options in making these choices. If local cultures disappear and countries become homogeneous, the scope for choice is reduced.

Much of the fear of a loss of national identity and culture comes from the belief that cultural diversity inevitably leads to conflict or to failed development. This is a myth: recent research on sources of violent conflict concludes that it is not diversity that inevitably leads to conflict but the suppression of cultural identity and social, political and economic exclusion on the basis of culture that can spark violence and tensions. People may be fearful of diversity and its consequences but it is opposition to diversity—as in the positions of anti-immigrant groups—that can polarize societies and that fuels social tensions.

DEVELOPING MULTIPLE AND COMPLEMENTARY IDENTITIES—LIVING LOCALLY AND GLOBALLY

The third principle is that globalization can expand cultural freedoms only if all people develop multiple and complementary identities as citizens of the world as well as citizens of a state and members of a cultural group. Just as a culturally diverse state can build unity on multiple and complementary identities, a culturally diverse world needs to do the same. As globalization proceeds,

this means not only recognizing local and national identities but also strengthening commitments to being citizens of the world.

Today's intensified global interactions can function well only if governed by bonds of shared values, communication and commitment. Cooperation among people and nations with different interests is more likely when all are bound and motivated by shared values and commitments. Global culture is not about the English language or American jeans and sneakers—it is about universal ethics based on universal human rights and respect for the freedom, equality and dignity of all individuals (box 2)

Today's interactions also need respect for difference—respect for the cultural heritage of the thousands of cultural groups in the world. Some people believe that there are contradictions between the values of some cultural traditions and advances in development and democracy. There is no objective evidence for claiming that some cultures are “inferior” or “superior” for human progress and the expansion of human freedoms.

States develop national identities not only to unify the population but also to project an identity different from that of others. But unchanging notions of identity can lead to morbid mistrust of people and things foreign—to wanting to bar immigrants, fearing that they would not be loyal to their adopted country or its values, or wanting to block flows of cultural goods and ideas, fearing that homogenizing forces will destroy their national arts and heritage. But identities are seldom singular. Multiple and complementary identities are a reality in many countries—and people have a sense of belonging to the country as well as to a group within.

ADDRESSING ASYMMETRIC POWER

The fourth principle is that asymmetries in flows of ideas and goods need to be addressed, so that some cultures do not dominate others because of their economic power. The unequal economic and

political powers of countries, industries and corporations cause some cultures to spread, others to wither. Hollywood's powerful film industry, with access to enormous resources, can squeeze the Mexican film industry and other small competitors out of existence. Powerful corporations can outbid indigenous people in using land rich in resources. Powerful countries can outnegotiate weak countries in recognition of traditional knowledge in World Trade Organization (WTO) agreements. Powerful and exploitative employers can victimize defenceless migrants.

FLOWS OF INVESTMENT AND KNOWLEDGE—INCLUDING INDIGENOUS PEOPLE IN A GLOBAL WORLD

Indigenous people see globalization as a threat to their cultural identities, their control over territory and their centuries-old traditions of knowledge and artistic expression. They fear that the cultural significance of their territories and knowledge will go unrecognized—or that they will receive inadequate compensation for these cultural assets. In these situations globalization is often blamed.

One reaction is to opt out of the global economy and to oppose the flows of goods and ideas. Another is to preserve tradition for its own sake, without accounting for individual choice or democratic decision-making. But there are alternatives. Preserving cultural identity need not require staying out of the global economy. There are ways of ensuring the cultural and socio-economic inclusion of indigenous people based on respect for cultural traditions and the sharing of the economic benefits of resource use.

WHY DO SOME INDIGENOUS PEOPLE FEEL THREATENED?

Central to ensuring the inclusion of indigenous people in a global world are how national governments and international institutions deal with investment that happen in indigenous territories

and protect traditional knowledge. The historical territories of indigenous people are often rich in minerals and oil and gas deposits (feature 1, map 1). That can set up the potential for conflict between promoting national economic growth through extractive industries and protecting the cultural identity and economic livelihood of indigenous people. The traditional knowledge, innovations and practices of indigenous people, developed over many generations and collectively owned by the community, can have practical uses in agriculture, forestry and health. Conflict can arise between recognizing collective ownership and following the modern intellectual property regime, which focuses on individual rights.

Extractive industries. The cultural identity and socio-economic equity of indigenous peoples can be threatened in several ways by the activities of extractive industries. First, there is inadequate recognition of the cultural significance of the land and territories that indigenous people inhabit. Indigenous people have strong spiritual connections to their land and that is why some oppose any investment in extractive industries within their territories. For instance, some groups of San Bushmen in Botswana oppose the exploration licences that the government has granted to Kalahari Diamonds Ltd.

Second, there is plausible concern about the impact of extractive industries on local livelihoods. When mineral extraction leads to the widespread displacement of communities and loss of their farmlands, it affects both their sense of cultural identity and their source of sustainable livelihood. The Lihir Gold Mine in Papua New Guinea has destroyed sacred sites and sharply reduced the ability of the Lihirians to subsist by hunting game.

Third, indigenous groups complain about unfair exclusion from decision-making. And when consultations with local communities do occur, they often leave much to be desired. Keeping such concerns in mind the World Bank used a new approach to support the Chad-Cameroon Pipeline

project.² By law, net incomes were to be deposited in an offshore account to ensure annual publication of audits and reduce corruption. Further 10% of revenues were earmarked for a Future Generations Fund. Civil society representatives and a member of the opposition were to be part of a monitoring board. The project had to comply with the Bank's safeguard policies on environmental assessments and resettlement. And two new national parks were planned to compensate for the loss of a small forest area. The project highlights the innovative steps international institutions are taking to build capacity, transparency and ensure targeted benefit-sharing. But some indigenous groups have felt this has been inadequate. Fewer than 5% of the Bagyéli people affected by the pipeline were employed on the project. They received little compensation and few of the promised health care facilities.³ In countries with very weak institutional structures, project partners face major challenges in effectively implementing well-conceived projects. This does not mean investments need to be stopped; rather, even greater efforts are needed.

Fourth, indigenous people feel cheated when their physical resources are misappropriated without adequate compensation. There was very limited involvement of local people on the Yanacocha gold mine in the Cajamarca region in Peru (a joint venture between two Peruvian and U.S. mining companies and the International Finance Corporation). Some of the tax revenues were to go to the indigenous inhabitants, but they received less than was promised them.⁴ Ecuador is home to one of the largest confirmed oil reserves in Latin America. Companies pay about \$30 million in taxes for a special Amazon development fund, but little of that reaches the indigenous communities.⁵

These issues highlight the conflict between national sovereignty over resources and the special rights of indigenous people to their territories and the mineral resources they contain. For instance, Ecuador's Constitution does not give native Indians any rights to the oil and gas within their territories. While it is not necessary that such rights be guaranteed in constitutions, it is necessary that indigenous people have a say in the use of resources within their territories.

Traditional knowledge. The traditional knowledge of indigenous groups has attributes of communal ownership and sometimes has spiritual significance. Intellectual property regimes fail to recognize either the community ownership or spiritual significance of traditional knowledge. The laws protect the work of individual, identifiable authors or inventors and spell out how others can use their work. The Quechua Indians in Peru oppose the commercial exploitation of their traditional knowledge but can do little about it. The Maori in New Zealand believe that even when their knowledge is publicly disclosed, there is no automatic right to use it—that right must be determined collectively.

There is also a danger of wrongly awarding intellectual property rights, so that communities that have produced, preserved or developed traditional knowledge over several generations are not compensated for its use. To qualify for patent protection an invention must fulfil three strict criteria: it must be novel, not obvious and industrially useful. Since traditional knowledge does not always meet these criteria, the international intellectual property regime does not explicitly protect it. Researchers can appropriate traditional knowledge and apply for a patent, claiming to have invented a new product. Copyright protection can also be wrongly awarded for the appropriation.

Misappropriating traditional knowledge need not be deliberate. Sometimes it arises from mistakenly treating traditional knowledge as part of the public domain, where intellectual property protection does not apply. Traditional knowledge, because it is known publicly within the community (and sometimes outside it), is more prone to appropriation without compensation to the community that developed it than are other types of intellectual property. The Sami Council of Scandinavia argues that even if its knowledge is publicly known, the public domain principle ignores obligations to the community.

The Convention on Biological Diversity recognizes traditional knowledge, in contrast to the global intellectual property rights regime administered under the World Intellectual Property Organization (WIPO) and the agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Article 8(j) stipulates that contracting parties must preserve and maintain the knowledge and innovations of indigenous and local communities. It also seeks the wider application of traditional knowledge “with the approval and involvement of the holders of such knowledge” and encourages “equitable sharing of the benefits”. Article 10(c) encourages the “customary use of biological resources in accord with traditional cultural practices”. The issue, then, is to find ways to reconcile the provisions of different international intellectual property regimes in order to protect traditional knowledge for the benefit of the indigenous community and promote its appropriate use within wider society.

POLICY OPTIONS AND CHALLENGES FOR PROTECTING RIGHTS AND SHARING BENEFITS

The solution is not to block flows of investment or knowledge or to preserve tradition for its own sake. Human development aims at expanding an individual’s choices, through growth that favours the poor and equitable socio-economic opportunities within a democratic framework that protects liberties. Addressing the concerns of indigenous people will take global, national and corporate policies that advance human development goals (box 5.3).

International institutions are already looking for ways to mitigate some of the problems. In 2001 the World Bank commissioned an extractive industries review to determine how such projects can assist in poverty reduction and sustainable development. Based on discussions with governments, non-governmental organizations, indigenous people’s organizations, industry, labour unions and academia, the 2004 report recommends pro-poor public and corporate governance, effective social

and environmental policies and respect for human rights. WIPO's General Assembly established an Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore in October 2000. It is reviewing mechanisms for protecting traditional knowledge while increasing the participation of indigenous people.

States and international institutions need to collaborate to continue adjusting global rules and national laws in ways that more successfully take into account the concerns of indigenous people, giving them a genuine stake in the flows of investments, ideas and knowledge. Three measures are essential:

- ? Explicitly recognizing indigenous people's rights over their physical and intellectual property.
- ? Requiring consultations with indigenous communities and their participation for the use of any resource, thus ensuring informed consent.
- ? Empowering communities by developing strategies to share benefits.

Loans to companies or states for projects that wrongly appropriate property must be withdrawn, and patents granted to others who have misappropriated traditional knowledge should be revoked.

Recognizing rights. Many states have laws that explicitly recognize indigenous people's rights over their resources. In a 2002 report the UK Commission on Intellectual Property Rights argued that national legislation is needed to address specific circumstances. The Philippines has laws requiring informed consent for access to ancestral lands and indigenous knowledge and for equitable sharing of benefits. Guatemalan law promotes the wider use of traditional knowledge and cultural expressions by placing them under state protection. Bangladesh, the Philippines and the African Union recognize the customary practices of communities and the community-based rights to biological resources and associated traditional knowledge.

Requiring participation and consultation. Including the local community in decision-making is not only democratic—it also ensures against future disruption of projects. Having learned from the Yanacocha mine, the Antamina zinc and copper mine in Peru involved indigenous communities in decision-making at the start of operations in 2001. But consultations have to be meaningful. This requires carefully identifying the affected groups and providing full information about the likely costs and benefits of a project.

Consultations can also prevent the false appropriation of genetic resources and traditional knowledge. Countries now demand disclosure of the origin of plants and other genetic material before granting patents. The Andean Communities, Costa Rica and India, among others, include this provision in laws and regulations.

Documenting traditional knowledge is often essential for protecting it, as is being done by the Traditional Knowledge Digital Library in India and a similar initiative in China. Lao PDR has a Traditional Medicines Resource Centre. In Africa, where much traditional knowledge is oral, documentation would diminish possibilities for uncompensated exploitation of knowledge. But some indigenous people in Latin America worry that documentation, by making their knowledge more accessible, would facilitate exploitation. Documentation does not prejudice rights. It preserves knowledge in written form and prevents others from claiming it as their own. WIPO has an Online Portal of Databases and Registries of Traditional and Genetic Resources for use by patent examiners. The Consultative Group on International Agricultural Research has linked its information to the portal. And India has contributed its Health Heritage Test Database.

Sharing benefits. Opportunities for benefit sharing in extractive industries are extensive, including education, training, preferential employment for local people, financial compensation, business opportunities and environmental commitments. In Papua New Guinea, where indigenous

communities own 97% of the land, small mining projects have assisted in poverty alleviation. At the Bulolo mine a well-planned closure allowed the mining company to use its infrastructure to develop a timber plantation—which remains financially viable 35 years after the mine was closed.⁶ Companies in other countries have also had success involving local communities in decision-making and profit sharing.

While multilateral negotiations on protecting traditional knowledge within the intellectual property rights regime continue, countries are discovering ways of using existing systems to do so (box 5.4). Industrial designs protect carpets and headdresses in Kazakhstan. Geographical indications protect liquors and teas in Venezuela and Vietnam. Copyrights and trademarks are used for traditional art in Australia and Canada. In many cases these measures have resulted in monetary benefits for the community as well. Discussions at WIPO are focusing on how to complement intellectual property provisions with unique national approaches. One proposal—the compensatory liability approach—envisages rights for both the patent owner and the owner of traditional knowledge. While the patent owner would have to seek a compulsory licence to use the traditional knowledge resource, the owner would also have the right to commercialize the patented invention after paying royalties to the patent owner. This mechanism avoids restricting scientific progress and makes benefit-sharing economically significant.

By promoting flows of investments and knowledge, globalization can bring recognition to indigenous people that have developed their resources over the centuries. But national and international rules on global trade and investment must also account for the cultural sensitivities and customary property rights of indigenous people. Respecting cultural identity and promoting socio-economic equity through participation and benefit sharing are possible as long as decisions are made democratically—by states, by companies, by international institutions and by indigenous people.

FLOWS OF CULTURAL GOODS—WIDENING CHOICES THROUGH CREATIVITY AND DIVERSITY

During the 1994 countdown to the Uruguay Round of multilateral trade negotiations, a group of French movie producers, actors and directors were able to insert a “cultural exception” clause in the trade rules, excluding cinema and other audiovisual goods from its provisions. This provision acknowledged the special nature of cultural goods as traded commodities. The Uruguay Round text provided a precedent for other trade agreements to allow countries to exempt cultural goods from trade agreements and adopt policies to protect such industries at home. Some exceptions for trade in cultural goods were written into the North American Free Trade Agreement (NAFTA) in 1994. In the acrimonious debates over the Multilateral Agreement on Investments in the OECD in 1998 the cultural exception was one of the most bitterly contested issues, propelling the collapse of negotiations (box 5.5).

At the preparatory meetings in Cancun for the Doha Round in 2003 negotiations reportedly foundered over the Singapore Issues—trade facilitation, transparency in government procurement, trade and investment, and trade and competition.⁷ The United States had asked for a freeze on the extension of the cultural exception, to avoid bringing Internet-related audiovisual activities into the negotiations. The Free Trade Area of the Americas ministerial meeting in Miami in November 2003 faced similar challenges for cultural goods, and no clear agreement was reached.

So, whether to treat cultural goods like any other commercial good or to make them an exception has become a hotly contested issue in international trade negotiations. Positions remain polarized between those who consider cultural products as commercial as apples or cars and therefore subject

to all the rules of international trade and those who view cultural products as assets conveying values, ideas and meaning, and therefore deserving of special treatment.

WHY HAS PUBLIC SUPPORT RALLIED BEHIND THE CULTURAL EXCEPTION?

The cultural exception has mobilized public support that politicians find difficult to ignore. The cultural exception touches people's concerns that their national cultures might be swept away by the economic forces of the global market, threatening their cultural identity. The most extreme advocates of the cultural exception fear that foreign films and television programmes will spread foreign culture and eventually obliterate local cultures and traditional values.

No doubt nationalism, traditionalism and economic advantage motivate many who advocate banning foreign products. But are the fears of those who predict a narrowing of cultural choices justified? In fact, free flows of foreign products widen cultural choices and do not necessarily weaken commitment to the national culture. Teenagers the world over listen to rap, but that has not meant the death of classical music or local folk music traditions. Attempts to close off foreign influences have had limited impact. Not until 1998 did the Republic of Korea gradually start to lift a half-century-old ban on Japanese music and film. Yet it is very likely that Koreans had access to Japanese pop culture, particularly animation and *manga*, well before the ban was eased. Restricting foreign influence does not promote cultural freedom. But that does not mean that cultural goods are not different in some ways from other commercial goods

Why are cultural goods different? Cultural goods convey ideas, symbols and lifestyles and are an intrinsic part of the identity of the community that produces them. There is little disagreement that cultural

products need some public support to flourish. Subsidies for museums, ballets, libraries and other cultural products and services are widespread and accepted in all free market economies.

Figure 1. Top-grossing films of all time at the international (non-US) box office were US films, April 2004

Rank	US Films	Year	Country of origin	Total gross revenue (millions of US\$)
1	Titanic	1997	US	1,235
2	Lord of the Rings: The Return of the King	2003	US	696
3	Harry Potter and the Sorcerer's Stone	2001	US	651
4	Harry Potter and the Chamber of Secrets	2002	US	604
5	Lord of the Rings: The Two Towers	2002	US	581
6	Jurassic Park	1993	US	563
7	Lord of the Rings: The Fellowship of the Ring	2001	US	547
8	Finding Nemo	2003	US	513
9	Independence Day	1996	US	505
10	Star Wars: Episode I: The Phantom Menace	1999	US	491
Non-US Films				
44	Sen to Chihiro no kamikakushi	2001	Japan	254
69	The Full Monty	1997	UK	211
86	Four Weddings and a Funeral	1994	UK	191
96	Bridget Jones' Diary	2001	UK	183

Source: The Internet Movie Database 2004.

The disagreement is over whether films and audiovisual products are cultural goods or merely entertainment. While it may be arguable whether cinema and television programmes have intrinsic artistic value, it is clear that they are cultural goods in that they are symbols of ways of life. Films and audiovisual products are powerful conveyors of lifestyles and carry social messages (see feature 1, and figure 1). They can have a powerful cultural impact. Indeed, they are contested precisely because of their impact on choices about identity.⁸

Why do cultural goods need public support? The reasons behind the arguments for public intervention have to do with the way cultural goods are consumed and produced. Both give advantage to large

economies and large industries with access to large financial resources and lead to asymmetric flows of films and television programmes.⁹

? *Cultural goods are experience goods.* Cultural products are consumed through experience: because of the subjective nature of these goods, consumers will not know whether they like the good until after they have consumed it. So prices will not reflect the quality of the product or the satisfaction it is likely to give to the consumer. Marketing campaigns, advertising and commercial reviews—amplified by word of mouth—are consumers’ principal sources of information, giving a massive advantage to producers with greater command over resources for marketing and distribution. Many small local producers will struggle to access the market, particularly producers operating from developing countries.

? *Large producers can benefit from economies of scale.* Smaller and less well-financed producers are penalized in these markets because they cannot enjoy the economies of scale that characterize many cultural industries, especially films and other audiovisual products.¹⁰ The cost of making a movie is the same whether it is shown one time or a million times. The more times it is shown, the higher the returns. When the film reaches a big market—thanks to large domestic demand, widespread understanding of the language spoken in the film and strong advertising campaigns—it is much likelier to become an international success. The same is true for other cultural goods. Countries and corporations with greater financial leverage can benefit from these economies of scale by capturing large markets and enjoying their exclusive advantages in markets with few other large producers (table 1).

Table 1. Policy choices for the promotion of the domestic film and audiovisual industry—market and industry size matter

	Advantages	Disadvantages	Policy solutions
Large producing countries (more than 200 productions)	Large home markets, expanding broadcasting audiences allow higher returns	Lowers market competition and the production of cultural and artistic films	Specialized taxation incentives to encourage independent film-makers and specialized distributors to make more films
Medium-size producing countries (from 20 to 199 productions)	State and legal financial support guarantee the existence of a national infrastructure and markets, allowing for a public sector role and higher quality films	National legal protectionism could impede international free film trade	New international legal frameworks to allow better and more balanced exchanges, expanding national production capacities
Small producing countries (fewer than 20 productions)	Creativity does not suffer from high technical and organizational competition or financial constraints; the very limited financing does not seek immediate returns	Small domestic markets reflect a structural lack of investment in the film industry, limiting the number of national productions; unfair asymmetric international trade practices also diminish domestic production	As with communications and computer technologies, digital technologies can create new and less expensive production opportunities, thus overcoming distribution and production bottlenecks

POLICY OPTIONS AND CHALLENGES—PROTECTION OR PROMOTION?

For these reasons, cultural products and creative activities, if left to the market, could wither and diversity decline. What is the solution? Cultural protectionism and quotas? Or production subsidies?

Protection. As argued in past *Human Development Reports*, raising barriers to reduce flows of imports can be problematic, a conclusion that applies to trade in cultural goods as well. Trade barriers to reduce or block imports defeat the expansion of diversity and choice. Yet many countries have set production and broadcasting quotas for locally produced programmes on radio, television and films to guarantee a minimum market share. Hungary has a quota of 15% for national programmes on public channels.¹¹ And the Republic of Korea's screen quota system, based on minimum days of domestic projections each year, probably contributed to the increase in domestic market share and exports.

But aggressive quota-based policies have not always resulted in greater variety and choice. Some critics point out that high quotas make local producers depend more on quotas and less on holding production costs down. Some also argue that protection can reduce the quality of goods.¹²

Promotion. Some countries have successfully maintained healthy cultural industries while also keeping trade links open. Argentina and Brazil offer financial incentives to help domestic industries, including tax breaks. In Hungary 6% of television receipts go to the production of Hungarian films. France spends some \$400 million a year to support its film industry, one of the few thriving in Europe, producing more than 180 films annually (box 5.6 and feature 5.1).^{13,14} The French-German worldwide success, *Le Fabuleux destin d'Amélie Poulain*, shows the possibilities for cross-border co-productions.¹⁵

Studios and equipment can also be supported. Since 1996 the Egypt Film Society has built filming studios with financing from a private-public partnership. Other developing economies are trying to do the same. As with all subsidies, there are challenges to make them work. Who should decide on the criteria for making grants? How should such decisions be made? The measures depend largely on the size of the domestic market (see table 1).

The 2001 Declaration on Cultural Diversity of the United Nations Educational, Scientific and Cultural Organization (UNESCO) set the stage for a number of international initiatives to encourage action in setting standards for cultural diversity, including the Round Table on Cultural Diversity and Biodiversity for Sustainable Development, the Summit on the Francophonie, the annual Meeting of the International Network on Cultural Policy and the UN resolution proclaiming 21 May as “World Day for Cultural Diversity for Dialogue and Development”. Preparatory work has begun for a legally binding convention to secure the diversity of cultural expression.

The emergence or consolidation of cultural industries should also be supported. Cooperation can support development of the necessary infrastructure and skills to create domestic markets and help local cultural products reach global markets. Small business incubators can encourage small and medium-size companies in music, fashion and design. International funds could be mobilized to finance the translation of books and the subtitling or dubbing of local films in international languages. Skills in these fields could be formalized in business schools and through exchanges on the economics of cultural industries.

Cultural tourism and partnerships with the World Tourism Organization can disseminate advice to host communities. And partnerships with parliaments, ministries of culture and national statistical offices can gather best practices on cultural exchanges, data gathering and policy-making.

FLOWS OF PEOPLE—MULTIPLE IDENTITIES FOR GLOBAL CITIZENS

Almost half the people in Toronto and Los Angeles are foreign born, and more than a quarter are in Amsterdam, London and Sydney. Driven by globalization, the number of migrants soared in the last decade, especially to the high-income countries of Western Europe, North America and Australia. And with the growing availability of the Internet and the low cost of air travel, more immigrants are maintaining closer ties with their countries of origin (see feature 5.1). Globalization is not only bringing cultural groups together. It is altering the rules of engagement. Democratization and a spreading respect for human rights are bringing increasing political freedom and a sense of entitlement to fair treatment and are legitimizing protest.

Immigration gives rise to an array of concerns on both sides. Receiving countries struggle with issues of cultural freedom. Should Muslim girls be allowed to wear headscarves to state schools in France (box 5.7)? Similar debates rage over whether education should be provided in Spanish in US schools or whether Sikhs motorcyclists should be permitted to wear a turban instead of a standard helmet in Canada. Immigrants protest a lack of recognition for their cultural identities as well as discrimination in jobs, housing and education. In many countries these concerns are met by the counter-protests of local populations, who fear that their national identities and values are also being challenged. “They don’t adopt our way of life and values”, say those opposed to immigration. “Respect our way of life and our cultures and our human rights”, retort immigrant communities and their allies.

One response would be to acknowledge diversity and promote the inclusion of immigrants, addressing both the social, economic and political exclusions they suffer and their cultural exclusion, giving recognition to their identities. An alternative, advocated by anti-immigrant groups, would be to close countries to flows of people—reversing the trend of increasing diversity. The political agenda of France’s National Front Party, for example, proposes to turn back the flow of immigration, revoking family reunification programmes, expelling undocumented aliens, developing programmes to return immigrants to their countries of origin and giving citizens preference in employment, social assistance and other areas.¹⁶ Italy’s Northern League and National Alliance parties (both members of the ruling coalition) are introducing legislation to limit immigration to those who already have an employment contract in Italy and to provide aid to countries to stop illegal immigration.¹⁷

But this choice between acknowledging diversity and closing the country to immigration may be a false one if national cultures are not really threatened by diversity.

DOES CULTURAL DIVERSITY THREATEN NATIONAL CULTURES?

Those fearing that immigrants threaten national values make three arguments: that immigrants do not “assimilate” but reject the core values of the country; that immigrant and national cultures clash, inevitably leading to social conflict and fragmentation; and that immigrant cultures are inferior and if allowed a foothold would undermine democracy and retard progress, a drain on economic and social development. Their solution is to manage diversity by reducing immigrant flows and acculturating immigrant communities.

Single or multiple identities. Underlying fears of losing national culture is an implicit belief that identities are singular. But people do not have single, fixed identities. They have multiple and often changing identities and loyalties. In the words of Long Litt-Woon, chairperson of the Drafting Group of the Council of Europe’s Conference on Diversity and Cohesion: “I am often asked how long I have

lived [in Norway]. '20 years', I say. The next remark often is 'Oh, you are almost Norwegian!' The assumption here is that I have become less Malaysian because it is common to think about identity as a zero sum game; if you have more of one identity, you have less of another. Identity is somehow imagined to be like a square box with a fixed size".¹⁸

Some groups of immigrants may want to retain their cultural identities. But that does not mean that they do not develop loyalties to their new country. People of Turkish ancestry in Germany may speak Turkish at home well into the second generation, but they also speak German. Mexicans in the United States may cheer for the Mexican football team but serve in the US Army.

Suspicious about the loyalties of immigrants have been common. But they are misplaced. Suspecting divided loyalties, the US and Canadian governments interned their citizens of Japanese descent during World War II. Yet soldiers of Japanese descent serving in the US and Canadian armies exhibited high levels of valour and loyalty, becoming some of the most decorated heroes. In 1960 there were fears in the United States that a Roman Catholic President might have loyalties to the Pope beyond and above his loyalties to the United States, fears that President Kennedy had to actively combat as a presidential candidate in 1960.

Concerns about national identity are sometimes also expressed through denunciations of immigrant cultures as "inferior", with claims that allowing immigrants to flourish would retard the country's progress and development. But this Report has demonstrated how little foundation there is for the arguments of cultural determinism. To be sure, many immigrant groups—though by no means all groups or in all countries—do have high rates of unemployment and lower than average educational achievement. But the reasons have to do with the multiple disadvantages they suffer rather than any culturally determined group characteristics—disadvantages that can be remedied with appropriate policies of inclusion, as chapter 3 proposes.

For most societies accommodating multiple identities does not happen overnight. It means coming to see as familiar differences that were once considered “alien”. Social scientists call this a shifting and blurring of the boundaries that separate “us” and “not us”. The confrontations in France over Muslim girls wearing headscarves to school or in the United States over instruction in Spanish in primary school are about people fighting to maintain boundaries as they have been drawn. Islam and Spanish are symbols of the “not us”. Admitting them as part of “us” suggests giving in to the dangers seen looming ahead: communal conflict and the loss of cultural identity.

In accommodating multiple identities, societies debate two questions: How different can we afford to be? How alike must we be? Accepting multiple identities is a major social transformation. But history shows that it does happen. Almost all European countries have undergone such a transformation. Today, being different is no longer the difference between being an Alsatien and being a Breton but between being a Sri Lankan and being a Scot, creating a broader category of “us”.

Immigration supports economic growth and development. Closing doors to immigration is neither practical nor in the interest of national development. Far from being a drain on development, immigrants are a source of skills, labour, ideas and know-how. Economists have long argued that the gains from liberalizing migration dwarf those from removing barriers to world trade. From Indian technology entrepreneurs in Silicon Valley in the United States to West African nurses throughout Europe to Chinese investors in Australia to Filipino domestic workers in Saudi Arabia, immigrants’ contributions to innovation, enterprise and skill are daily reminders of their value to society. In today’s knowledge economy countries compete by creating and attracting top talent. In 1990, for example, foreign-born students earned 62% of engineering doctorates in the United States, and more than 70% of foreign-born students who get doctorates in the United States stay in the United States.^{19,20} Often among the more entrepreneurial in society, immigrants invest in small businesses

and rejuvenate urban neighbourhoods—in Europe they are creating commercial zones in abandoned areas to generate thousands of jobs.²¹

Today, countries of Western Europe and Japan, facing the prospect of aging and shrinking populations, are in dire need of fresh inflows of people. Western Europe's working age population is forecast to fall from 225 million in 1995 to 223 million by 2025.²² According to UN Population Division estimates, Europe would have to double its intake of immigrants just to maintain its population size by 2050.²³

Barriers to entry have not been removed for people as they have been for goods and capital. Yet migration has climbed rapidly in the 1990s, including undocumented migration that has proliferated in the 1990s, reaching almost 30 million people worldwide (see feature 5.1). Efforts to reverse the flows of people fight against the tide of globalization.²⁴ Significantly reducing immigration would require measures that are difficult to implement in democracies.

POLICY OPTIONS AND CHALLENGES—CULTURAL RECOGNITION AND SOCIO-ECONOMIC AND POLITICAL INCLUSION

Countries with historically large numbers of immigrants have followed two approaches to integration. One is differentiatism—maintaining clear boundaries between groups and respecting them as separate communities. Differentiatist policies have typically been used when the state organizes immigration to fill temporary labour needs and does not expect migrants to become full members of the local community. Examples are guest workers in Germany in the 1960s and 1970s and domestic servants in Saudi Arabia today. The other approach is assimilation—helping immigrants become “more like us”. The state and other institutions encourage immigrants to learn the predominant national language and adopt the social and cultural practices of the receiving

community. By the time immigrants' children have passed through the primary institutions of the new society, especially public schools, they will be almost indistinguishable from the rest of the local community. The image of the US "melting pot" best represents this approach.

These two approaches, effective in earlier decades, are inadequate in diverse societies that need to build respect for differences and a commitment to unity. Culturally diverse societies are not predestined to disintegrate or to lose their national cultures and identities. But accommodating diversity requires efforts to build cohesion in managing immigration and the integration of migrants into society. Just as there are many ways in multiethnic states for ethnic minorities to feel pride in their own community as well as strong loyalty to the state, immigrants can become full members of their adopted countries and still maintain ties to their countries of origin. The challenge is to craft policies that accommodate the objectives of unity and respect for difference and diversity. Differentiationism does not build commitment to the country among immigrants or provide adequate social protection. And guest worker programmes can be a source of exploitation and conflicts—"we wanted workers but got people" was the reaction of some (box 5.8). Assimilation does not accommodate difference nor respect for diversity, nor does it explicitly address asymmetry.

Immigrants are more inclined today—and more able—than in the past to maintain close connections with family and community in their place of birth. Such connections are not new, but the influence on social, economic and political behaviour is different, thanks to the ease of modern communication and travel. Immigrants want to keep a foot in each world—one in their place of birth, the other in their adopted country.

Multiculturalism has recently become a third approach to incorporating immigrants, one that recognizes the value of diversity and supports multiple identities. It began in Canada in the early 1960s, when Prime Minister Pierre Trudeau articulated the idea in response to the challenges of a

diverse population of indigenous people, French and English settlers and recent immigrants, with major divisions and inequalities among them. Australia introduced such a policy in the 1990s, after concluding that it was the only way to create cohesion amid diversity.

Multiculturalism is not only about recognizing different value systems and cultural practices within society—it is also about building a common commitment to core, non-negotiable values, such as human rights, rule of law, gender equality, and diversity and tolerance.²⁵ Australia describes this as “United in Diversity”. Such a policy emphasizes not only the freedom of individuals to express and share their cultural values but also their obligations to abide by mutual civic obligations.

Although there is a historical sequence to these models of immigrant integration, at any one time states use all three approaches. While not adopting multiculturalism as an explicit state policy, many countries are introducing elements of this approach as they struggle to manage growing diversity. The challenge involves three dimensions with a common theme of building unity and respecting difference:

- ? Addressing cultural exclusion by recognizing cultural diversity.
- ? Addressing socio-economic exclusion.
- ? Addressing exclusion from civic participation and citizenship rights.

Addressing cultural exclusion by recognizing cultural diversity. Immigrant communities may not suffer explicit discrimination and suppression of their way of life, but most do suffer from a lack of support to practice it. Perhaps more important, they often suffer from the rejection of values felt to be in conflict with core national values or from a social prejudice that their culture is inferior (see box 5.7).

Combating social prejudice and xenophobia is critical to building social harmony and unity in diverse societies. Greater respect and understanding for cultures can be fostered by providing positive and

accurate images in the media, teaching the history of other cultures in schools and preparing museum exhibitions that demonstrate respect for cultural diversity and address socio-economic discrimination and inequalities (see box 5.9).

Religion is the most contested of cultural identities. Greater recognition has enormous practical value, making it easier to obtain permits to build places of worship, establish burial grounds and hold celebrations. It also has great symbolic value, demonstrating respect for other cultures. The celebration of Eid at the White House in 1996 was a strong sign of respect for the millions of Muslims in the United States. Controversies arise over support to religion in secular states. As chapter 3 shows, secularism does not necessarily mean no involvement by the state in religion. The state can support religious activity in ways that do not favour one religion over another, such as support to all religious schools. But the religions of immigrants are not always treated the same as the religion of the majority population.

Some of the most divisive issues of “us” and “not us” concern traditional or religious practices that are thought to contradict national values or human rights. Cultural recognition does not simply mean defending tradition. It means promoting cultural freedom and human development. Immigrant communities themselves need to challenge “traditional values” that conflict with core national values or human rights.

Addressing socio-economic inclusion. The 175 million people who live outside their countries of birth are a very mixed group. From highly skilled professionals to the young men and women who are smuggled across borders to work in sweat shops, they include people who have been in the country for decades and those who arrived only yesterday. And the ranks of “immigrant communities” that are politically mobilized expand beyond the 175 million to include the relatives and even friends of immigrants.

Not all immigrants suffer socio-economic exclusion. For those who do, that exclusion takes many different forms. The biggest problem is that in many countries the poverty of immigrant groups divides society. It gives rise to anti-immigrant movements and accusations that immigrants are unwilling or unable to be productive members of society, that they live together in ghettos with no interest in integrating with the rest of society. State support to address socio-economic exclusion of immigrant groups is therefore a critical part of building social harmony.

Education and language are the first step. Many countries have proactive programmes for integration that offer instruction in the country's national language. More controversial is the use of immigrants' native languages in schools and in official communication. No single formula is appropriate for all situations. But objections to the use of native languages are often more ideological than pragmatic. People learn better, respect laws and generally participate in the life of a community more fully if they can understand better. Learning the language of the state is critical, but there will be lags in achieving proficiency.

Also controversial is the issue of social welfare protection for non-citizens, including undocumented residents. The fear—difficult to prove or disprove—is that social protection encourages more inflows of people, who in turn become dependent on the state. But the reality is that without welfare protection, the broader social consequences would be worse. And states have an obligation to protect and promote human rights—of all human beings.

Addressing exclusion from civic participation and citizenship rights Many immigrants are not citizens. For that reason they are excluded from the bundle of obligations and rights that states and their citizens have to each other. Without such rights immigrants lack access to the jobs and services that help them become fully contributing members of society. They also lack protection from abuse. Naturalization

is intended to be the answer, but most states are challenged to rethink their policies in response to rising flows, temporary and circular movements and transnational multiple identities.

Extending the civic rights traditionally associated with citizenship to non-citizens is a critical step, as is the recognition of dual nationality. Many countries, including Belgium and Sweden, are moving in this direction by extending voting rights to non-citizens in local elections. Some 30 countries now acknowledge dual nationality. But there are also contradictory trends of restrictions on access to long-term residence, naturalization and citizenship, and social services. For example, California recently made it impossible for immigrants without legal residence to acquire drivers' licenses, effectively excluding them from many jobs and other activities essential in everyday life.

A globally interdependent world needs a new approach to citizenship for native residents and immigrants that incorporates the fundamental principles of human rights into a multicultural strategy for advancing human development—a strategy that benefits everyone.

* * *

States, communities, institutions and individuals all have to make choices:

- ? Should states seek to impose a homogenizing and unchanging national identity? Or should they celebrate diversity, helping to foster syncretic and evolving societies?
- ? Should communities protect tradition even if it narrows choice and freedoms? Or should they use their common knowledge and resources for exchange and mutual benefit?

- ? Should international institutions persist with rules that adhere to particular cultural and legal traditions? Or should they recognize, respect and promote the products and resources of other cultures, strengthening the legitimacy of institutions?
- ? Should individuals restrict themselves to singular identities? Or should they recognize themselves as part of an interlinked humanity?

Democracy and equitable growth are important in fostering cultural inclusion. But they are not enough. Multicultural policies for cultural inclusion—recognizing differences, supporting diversity and mitigating asymmetries of power—are also needed. Individuals have to shed rigid identities if they are to become part of a diverse society. International institutions have to respect other cultural traditions and create enabling conditions for developing local cultural resources. Poor countries and marginalized communities have to be given a greater voice in negotiations involving their cultures and rights and fair compensation for the use of their resources. Only under these circumstances will multiple and complementary identities evolve across national boundaries. Only then will identity and freedom flourish in a culturally diverse world.

BOXES

FEATURE 1. WHAT'S NEW ABOUT GLOBALIZATION'S IMPLICATIONS FOR IDENTITY POLITICS?

Cross-border flows of investment and knowledge, films and other cultural goods, and people are not new phenomena. Indigenous people have struggled for centuries to maintain their identity and way of life against the tide of foreign economic investment and the new settlers that often come with it. As chapter 2 shows, new settlers have spread their culture, sometimes by design, often by failing to respect indigenous ways of life. Similarly, the free flow of films has been an essential part of the development of the industry since the early 20th century. And people have moved across national borders from the earliest times. International migration has risen in recent decades but is still below 3% of world population, no higher than it was when it last peaked 100 years ago.²⁶

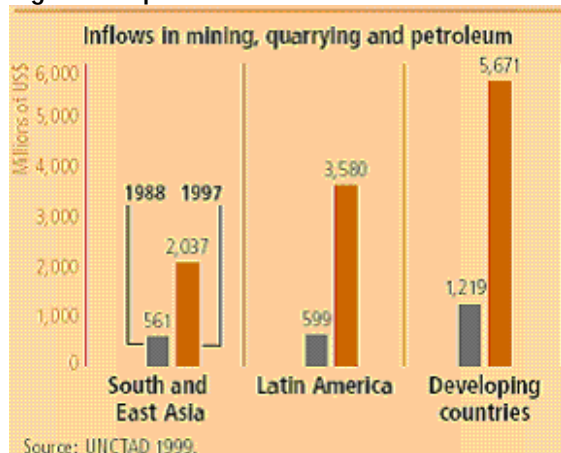
What makes these flows a stronger source of identity politics today? Are old problems worsening? Are new problems emerging? Or are people simply freer, with more capacity to claim their rights? For each case, the answer is different but contains an element of all three.

Indigenous people and flows of investment and knowledge

Indigenous people around the world are learning to organize politically, in some cases securing greater political and economic rights. In August 2003 the Canadian government formally recognized the ownership claims of the Tlicho Indians over a diamond-rich area in the Northwest Territories. In October 2003 the Constitutional Court of South Africa ruled that indigenous peoples had both communal land ownership and mineral rights over their territory and that attempts to dispossess them would constitute racial discrimination. Indigenous people now own or control more than 16% of Australia, with the Indigenous Land Corporation expected to be fully funded with a A\$1.3 billion capital base, to be used to purchase land for indigenous people unable to gain ownership by other means.²⁷

At the same time globalization has accelerated the flows of investment that profoundly affect the livelihoods of many groups. In the last 20 years more than 70 countries have strengthened legislation to promote investment in extractive industries such as oil, gas and mining. Foreign investment in these sectors is up sharply (figure 2). For example, investments in mining exploration and development in Africa doubled between 1990 and 1997.²⁸

Figure 2. Rapid increases in investments in extractive industries in developing countries, 1988–97



Map 1. Much extractive and infrastructural activity in developing countries is in areas where indigenous people live

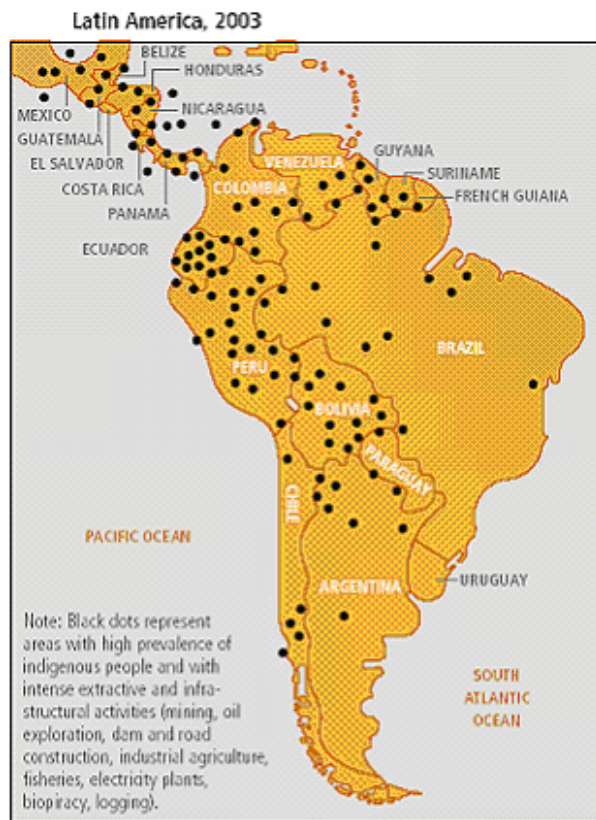
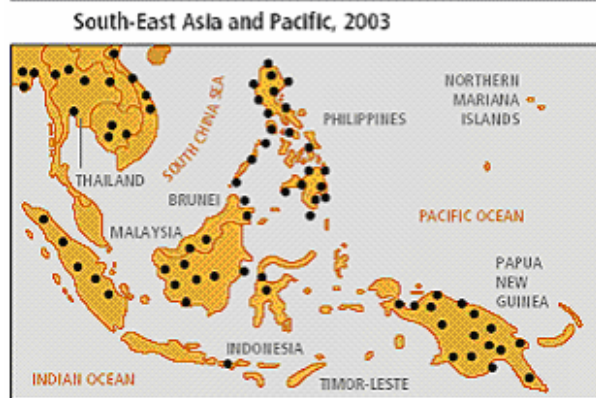


Table 2. Indigenous population in Latin America (Percent)

Country	Share of total population
Bolivia	71.0
Guatemala	66.0
Peru	47.0
Ecuador	38.0
Honduras	15.0
Mexico	14.0
Panama	10.0
Chile	8.0
El Salvador	7.0
Nicaragua	5.0
Colombia	1.8
Paraguay	1.5
Argentina	1.0
Venezuela	0.9
Costa Rica	0.8
Brazil	0.4
Uruguay	0.4

Source: De Ferranti and others 2003.



Source: Tebtebba and International Forum on Globalization 2003.

Because so many of the world's untapped natural resources are located in indigenous people's territories, the global spread of investments in mining and the survival of indigenous people are inextricably linked (see map 1 and table 2). These trends have increased pressure on indigenous people's territories, resulting in forcible displacement in Colombia, Ghana, Guyana, Indonesia, Malaysia, Peru and the Philippines.²⁹ If current trends continue, most large mines may end up being on the territory of indigenous people.³⁰

Globalization has also heightened demand for knowledge as an economic resource. Indigenous people have a rich resource of traditional knowledge—about plants with medicinal value, food crop varieties that consumers demand and other valuable knowledge. Entrepreneurs were quick to see the market potential of this knowledge if they could patent and sell it. So traditional knowledge is increasingly misappropriated, with many “inventions” falsely awarded patents. Examples include the medicinal properties of the sacred Ayahuasca plant in the Amazon basin (processed by indigenous communities for centuries); the Maca plant in Peru, which enhances fertility (known by Andean Indians when the Spanish arrived in the 16th century); and a pesticidal extract from the neem tree used to treat ailments and as a dental product and a contraceptive in India (common knowledge since ancient times).

Developing countries seldom have the resources to challenge false patents in foreign jurisdictions—indigenous people even less so. A March 2000 study concluded that 7,000 patents had been granted for the unauthorized use of traditional knowledge or the misappropriation of medicinal plants.³¹

Globalization has made it easier for indigenous people to organize, raise funds and network with other groups around the world, with greater political reach and impact than before. Technological advances enable faster and cheaper communication. Global activism on human rights and ecological impacts has drawn attention to indigenous people, who are adversely affected on both counts. The United Nations declared 1995–2004 the International Decade for the World’s Indigenous People, and in 2000 the Permanent Forum on Indigenous Issues was created. In recent years indigenous people have made several joint declarations of their rights, including the Baguio Declaration in 1999, the Indigenous Peoples Millennium Conference Statement in 2001 and the Indigenous Peoples’ Declaration on Extractive Industries in 2003.

Although these developments show increasing political activism, the underlying fact remains. Indigenous people continue to be discriminated against and exploited, often living in abject poverty with little access to education and health services.

Flows of cultural goods—films and other audiovisual products

The controversy over cultural goods in international trade and investment agreements reached a crescendo at the Uruguay Round of multilateral trade negotiations in 1994, because of three new trends:

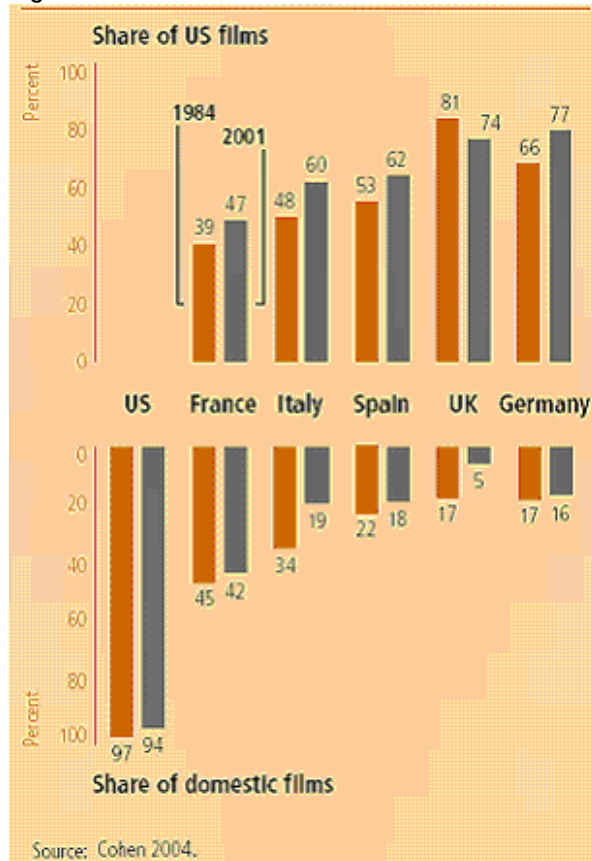
- ? Exponential growth in the quantity of trade.
- ? Increasing concentration of the film industry in Hollywood.
- ? Growing influence of films and entertainment on youth lifestyles.

World trade in cultural goods—cinema and photography, radio and television equipment, printed matter, literature, music and visual arts—quadrupled, from \$95 billion in 1980 to more than \$380 billion in 1998.³² About four-fifths of these flows originate in 13 countries.³³ Hollywood reaches 2.6 billion people around the world, and Bollywood 3.6 billion.³⁴

In the film industry—looked at closely here because it provides the most complete and reliable data—US productions regularly account for about 85% of film audiences worldwide.³⁵ In the audiovisual trade with just the European Union, the United States had an \$8.1 billion surplus in 2000, divided equally between films and television rights.³⁶ Of 98 countries around the world with comparable data, only 8 produced more films than they imported on a yearly basis in the 1990s: China, Guinea, Guinea-Bissau, India, Myanmar, the Philippines, Slovakia and Uzbekistan.³⁷ China, India and the Philippines are among the largest producers in the number of films per year. But the evidence changes when film production is calculated in terms of revenue. Of global production of

more than 3,000 films a year the United States accounted for more than 35% of total industry revenues. Furthermore, in 1994–98, in 66 of 73 countries with data, the United States was the first or second major country of origin of imported films.³⁸

Figure 3. Fewer domestic films, more US films: evolving film attendance, 1984–2001



The European film industry, by contrast, has been in decline over the past three decades. Production is down in Italy, which produced 92 films in 1998, and Spain, which produced 85, while remaining unchanged in the United Kingdom and Germany.³⁹ France is the exception. Production there increased to 183 films in 1998.⁴⁰ The share of domestic films viewed between 1984 and 2001 declined dramatically in much of Europe, with the exception of countries like France and Germany, where specific policies were implemented to sustain the domestic film industry. For the same period, the share of US films increased across most of the continent (see figure 3).

The international dominance of US films is just one aspect of the spread of Western consumer culture around the world. New satellite communications technologies in the 1980s gave rise to a powerful new medium with global reach and to such global media networks as CNN. The number of television sets per thousand people worldwide almost doubled, from 113 in 1980 to 229 in 1995. It has grown to 243 since then.⁴¹ Consumption patterns are now global. Market research has identified a “global elite”, a global middle class that follows the same consumption style and prefers “global brands”. Most striking are “global teens”, who inhabit a “global space”, a single pop culture world, soaking up the same videos and music and providing a huge market for designer running shoes, t-shirts and jeans.

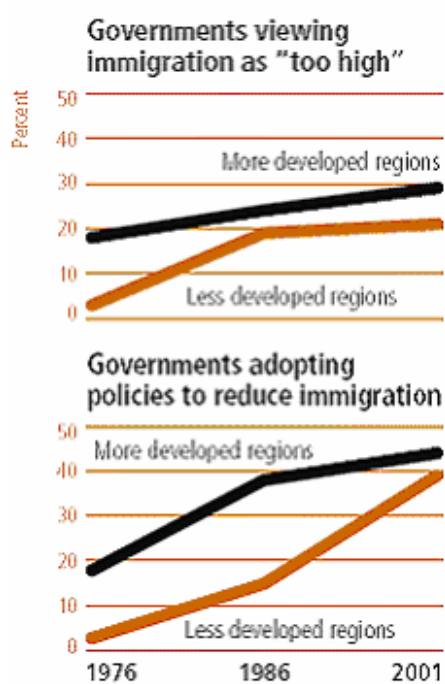
Flows of people

Policies on immigration have become socially divisive in countries in Western Europe and North America and in other high-income OECD countries (figure 4). Debates are not just about jobs and competition for social welfare resources but about culture—whether immigrants should be required to adopt the language and values of their new society. Why are these issues more prominent today? What has globalization got to do with it?

Globalization is quantitatively and qualitatively reshaping international movements of people, with more migrants going to high-income OECD countries and wanting to maintain their cultural identities and ties with their home countries (figure 5).

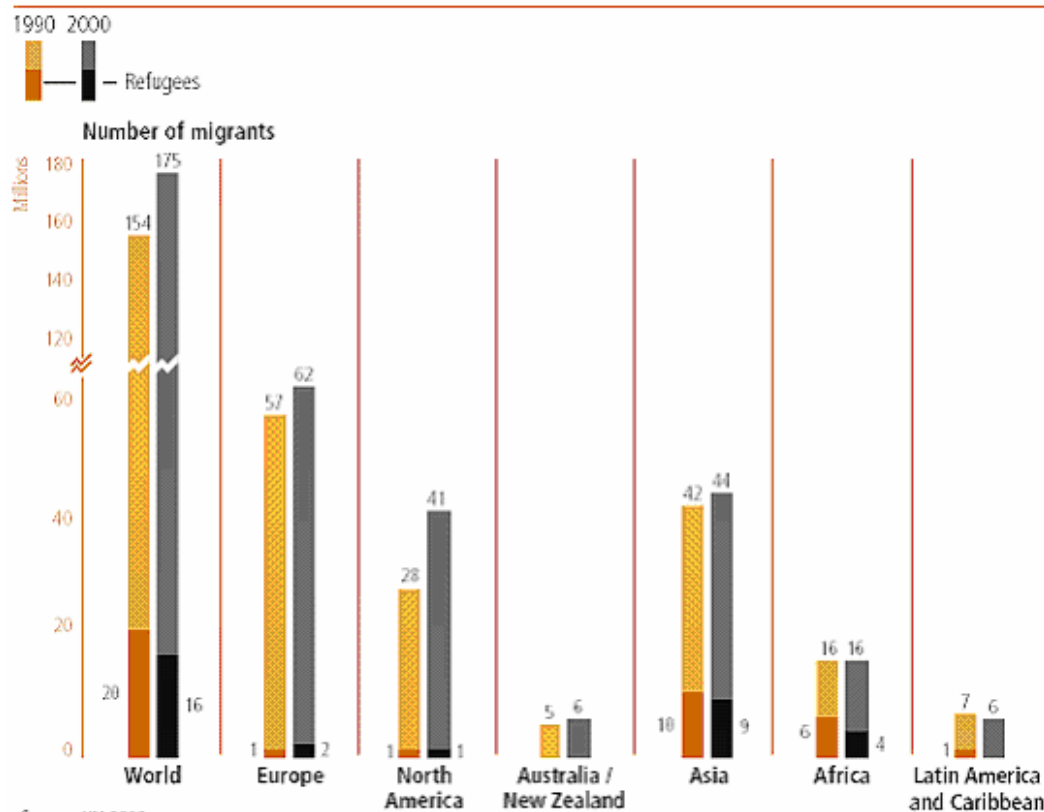
People have always moved across borders, but the numbers have grown over the last three decades. The number of international migrants—people living outside their country of birth—grew from 76 million in 1960 to 154 million in 1990 and 175 million in 2000.⁴² Technological advances make travel and communications easier, faster and cheaper. The price of a plane ticket from Nairobi to London fell from \$24,000 in 1960 to \$2,000 in 2000.⁴³ The telephone, the Internet and the global media bring the realities of life across the globe into the living room, making people aware of disparities in wages and living conditions—and eager to improve their prospects.

Figure 4. More and more governments (rich and poor) want to control immigration, 1976–2001



Source: UN 2002a.

Figure 5. Unprecedented growth in international migration to Europe, North America, Australia and New Zealand, but refugees remain a small proportion, 1990–2000



Source: UN 2002a.

Politics also influences the flow of people. Repression can push people to leave; so can greater openness. Political transitions in the former Soviet Union, Eastern Europe and the Baltics made it possible for many people to leave for the first time in decades.

But more than the numeric increase, the structure of migration has changed radically.

? *Changing demographics.* For Western Europe, Australia and North America, the growth in migration in the last decade was almost entirely concentrated in flows from poor to rich countries. In the 1990s the foreign-born population in more developed regions increased by 23 million.⁴⁴ Today, almost 1 in 10 people living in those countries was born elsewhere.⁴⁵

? *Undocumented migration* has reached unprecedented levels: up to 30 million people worldwide are living as illegal residents.⁴⁶

? *Circular migration.* People who decide to migrate today are more likely to return to their place of birth, or to move on to a third country, than to stay in the first country to which they migrate. With cheaper communications and travel, migrants stay in closer touch with their home communities.

? *Diaspora networks.* Having friends and family living abroad makes migration easier. Diaspora networks provide shelter, work and assistance with the bureaucracy. So migrants coming from the same country tend to concentrate where others have already settled: 92% of Algerian immigrants to Europe live in France, and 81% of Greek immigrants in Germany.⁴⁷ Chinese illegal emigration has swelled the diaspora to some 30–50 million people.⁴⁸

- ? *Remittances.* In little more than 10 years remittances to developing countries went from \$30 billion in 1990 to nearly \$80 billion in 2002.⁴⁹ In El Salvador remittances sent from Salvadorans abroad amounted to 13.3 percent of GDP in 2000.⁵⁰
- ? *Asylum-seekers and refugees:* About 9% of the world's migrants are refugees (16 million people). Europe hosted more than 2 million political asylum seekers in 2000, four times more than North America (figure 5.5).⁵¹
- ? *Feminization.* Women have always migrated as family members but today more women are migrating alone, leaving their families at home for work abroad. For the Philippines women made up 70% of migrant workers abroad in 2000.⁵²

Source: ATSLA 2003; CSD and ICC 2002; Moody 2000; WIPO 2003d; World Bank 2004; Cohen 2004; Kapur and McHale 2003; IOM 2003b, 2003c, 2004; UN 2002a, 2002b, 2003a.

Box 1

Culture – Paradigm Shift in Anthropology

For many years, defining cultural and social anthropology as the study of the cultural dimension of people would have raised few objections. “A culture” was understood as synonymous with what before had been called “a people”.

During the past two decades, however, the concept of “culture”, and by extension the idea of “cultural difference” and the underlying assumptions of homogeneity, holism and integrity, have been re-evaluated. Cultural difference is no longer viewed as a stable, exotic otherness. Self-other relations are increasingly considered to be matters of power and rhetoric rather than essence. And cultures are increasingly conceived of as reflecting processes of change and internal contradictions and conflicts.

But just as anthropologists were losing faith in the concept of coherent, stable and bounded cultural “wholes”, the concept was being embraced by a wide range of culture builders worldwide. Anthropological works are increasingly being consulted by people trying to assign to groups the kinds of generalized cultural identities that anthropologists now find deeply problematic. Today, politicians, economists and the general public want culture defined in precisely the bounded, reified, essentialized and timeless fashion recently discredited by anthropologists.

Culture and cultural diversity have become political and juridical realities, as stated in the first Article of UNESCO Universal Declaration on Cultural Diversity (2001): “cultural diversity is as necessary for humankind as biodiversity is for nature. In this sense, it is the common heritage of humanity and should be recognized and affirmed for the benefit of present and future generations”. Many people have grasped at least part of the anthropological message: culture is there, it is learned, it permeates everyday life, it is important and it is far more responsible for differences among human groups than are genes.

Source: Ann-Belinda Preis, drawing on materials from Brumann 1999, Clifford 1988, rosaldo 1989, Olwig, Fog and Halstrup 1997, UNESCO 2002

Box 2

Sources of global ethics

All cultures share a commonality of basic values that is the foundation of global ethics. That individuals can have multiple and complementary identities suggests that they can find these commonalities of values.

Global ethics are not the imposition of “Western” values on the rest of the world. To think so would be both artificially restrictive of the scope of global ethics and an insult to other cultures, religions and communities. The principal source of global ethics is the idea of human vulnerability and the desire to alleviate the suffering of every individual to the extent possible. Another source is the belief in the basic moral equality of all human beings. The injunction to treat others as you would want to be treated finds explicit mention in Buddhism, Christianity, Confucianism, Hinduism, Islam, Judaism, Taoism and Zoroastrianism, and it is implicit in the practices of other faiths.

It is on the basis of these common teachings across all cultures that states have come together to endorse the Universal Declaration of Human Rights, supported by the International Covenants on Civil and Political Rights and on Economic and Social Rights. Regional treaties, such as the European Convention for the Protection of Human Rights, the American Convention of Human Rights and the African Charter on Human and Peoples’ Rights, have taken similar initiatives. More recently, the UN’s Millennium Declaration, adopted by the full membership of the General Assembly in 2000, recommitted itself to human rights, fundamental freedoms and respect for equal rights to all without distinction.

There are five core elements of global ethics.

- ? *Equity.* Recognizing equality of all individuals regardless of class, race, gender, community or generation is the ethos of universal values. Equity also envelops the need to preserve the environment and natural resources that can be used by future generations.
- ? *Human rights and responsibilities.* Human rights are an indispensable standard of international conduct. The basic concern is to protect the integrity of all individuals from threats to freedom and equality. The focus on individual rights acknowledges their expression of equity between individuals, which outweighs any claims made on behalf of group and collective values. But with rights come duties: bonds without options are oppressive; options without bonds are anarchy.
- ? *Democracy.* Democracy serves multiples ends: providing political autonomy, safeguarding fundamental rights and creating conditions for the full participation of citizens in economic development. At the global level democratic standards are essential for ensuring participation and giving voice to poor countries, marginalized communities and discriminated against minorities.
- ? *Protection of minorities.* Discrimination against minorities occurs at several levels: non-recognition, denial of political rights, socio-economic exclusion and violence. Global ethics cannot be comprehensive unless minorities receive recognition and equal rights within a larger national and global community. The promotion of tolerance is central to the process.
- ? *Peaceful conflict resolution and fair negotiation.* Justice and fairness cannot be achieved by imposing pre-conceived moral principles. Resolution of disagreements must be sought through

negotiations. All parties deserve a say. Global ethics does not mean a single path towards peace or development or modernization. It is a framework within which societies can find peaceful solutions to problems.

Source: World Commission on Culture and Development 1995; UN 2000a

Box 3***Private companies and indigenous people can work together for development***

Is it possible for private companies to work cooperatively with indigenous people and to gain in the process? Yes. Consider these examples

Pilbara Region, Australia

Hamersley Iron Pty Ltd has been exporting ore from this natural resource-rich region since the mid-1960s. While aboriginal populations remained concentrated in welfare-dependent towns, the company's need for skilled labour led to a massive influx into the region of non-indigenous people. The Aboriginal groups began to oppose the development of newer mines and demanded discussions on the company's activities on traditional lands. In 1992 Hamersley established the Aboriginal Training and Liaison Unit, to provide job training, increase business development in the area and improve infrastructure and living conditions while preserving the aboriginal heritage and culture. By 1997 the Gumala Aboriginal Corporation had signed joint venture agreements with Hamersley to develop newer mines. Aboriginal men would receive training in operating machinery, and services would be contracted to the local communities. Hamersley would contribute more than A\$60 million for these purposes.

Raglan Project, Canada

After a 1975 agreement to settle land ownership issues in northern Quebec between indigenous groups and the provincial and federal governments, the Inuit received financial compensation to set up the Makivik Corporation as a heritage fund. In 1993 Makivik signed a Memorandum of Understanding with Falconbridge Ltd (later the Raglan Agreement) to guarantee benefits from planned mining projects in the region. These included priority employment and contracts for the Inuit, profit sharing, and environmental monitoring. Falconbridge will pay an estimated C\$70 million to an Inuit trust fund over 18 years. Archaeological sites were also identified and marked as off limits to mining, and the rights of Inuit employees to hunt outside the Raglan site were assured.

Red Dog Mine, United States

In the 1970s the Inupiat people of Northwest Alaska successfully blocked Cominco Inc.'s interest in exploiting zinc-lead deposits at the Red Dog site. After several years of negotiations the Northwest Alaska Native Association (NANA) and Cominco signed an agreement in 1982 to allow mining to go forward. Cominco agreed to compensate the Inupiat through royalties, to include NANA representatives in an advisory committee, to employ indigenous people and to protect the environment. In lieu of taxes Red Dog would pay \$70 million into the Northwest Arctic Borough over 24 years. By 1998 Cominco had invested \$8.8 million in technical training almost entirely for NANA shareholders employed in the project. NANA has also monitored the impact on subsistence activities and forced efforts to reduce effluent flows into streams. Cominco has maintained a flexible work schedule that allows Inupiat employees to continue their traditional way of life.

Source: International Council on Metals and the Environment 1999.

Box 4***Using intellectual property rights to protect traditional knowledge***

Respecting traditional knowledge does not mean keeping it from the world. It means using it in ways that benefit the communities from which it is drawn.

Australia's intellectual property rights laws do not cover traditional knowledge, but certification trademarks are used to identify and authenticate products or services provided by indigenous owners. In the 1995 *Milpurruru* case—Aboriginal designs were reproduced on carpets without prior consent—an Australian court judged that “cultural harm” had been caused due to trademark violation and awarded compensation of A\$70,000 (WIPO 2003c). In the 1998 *Bulun Bulun* case, a court judgement found that an indigenous person owed fiduciary obligations to his community and could not exploit indigenous art contrary to the community's customary law.

In Canada trademarks are used to protect traditional symbols, including food products, clothing and tourist services run by First Nations. The Copyright Act protects tradition-based creations like woodcarvings, songs and sculptures. In 1999 the Snuneymuxw First Nation used the Trademarks Act to protect 10 religious petroglyphs (ancient rock paintings) from unauthorized reproduction and to stop the sale of goods bearing these images.

Other countries have explicitly recognized traditional knowledge and customary legal systems. Greenland retains its Inuit legal tradition within its Home Rule Government. Over the past 150 years written Inuit literature has documented cultural heritage. Cultural heritage is treated as dynamic and not restricted to traditional aspects alone. Both traditional and modern cultural expressions are respected and enjoy equal protection under law.

A more celebrated case involves the San Bushmen of southern Africa. An anthropologist noticed in 1937 that the San ate *Hoodia* to stave off hunger and thirst. Based on this knowledge the South African Council for Scientific and Industrial Research (CSIR) in 1995 patented the *Hoodia* cactus's appetite-suppressing element (P57). By 1998 revenues from the licensing fee for developing and marketing P57 as a slimming drug had risen to \$32 million (Commission on Intellectual Property Rights 2002). When the San alleged biopiracy and threatened legal action in 2002, the CSIR agreed to share future royalties with the San.

Recognition of traditional culture can occur at the regional level as well. Article 136(g) of Decision 486 of the Commission of the Andean Community states that signs may not be registered as marks if they consist of the names of indigenous, Afro-American or local communities. The Colombian government used Article 136(g) to reject an application for registration of the term “Tairona”, citing it as an invaluable heritage of the country—the Taironas inhabited Colombian territory in the pre-Hispanic period.

Source: Commission on Intellectual Property Rights 2002; WIPO 2003c.

Box 5

The debate on cultural goods and the Multilateral Agreement on Investments fiasco

After the Uruguay Round of trade negotiations ended in 1994, some countries wanted to set up a mechanism to liberalize, regulate and enforce global investment flows. This set the stage in 1998 for the Multilateral Agreement on Investments (MAI). The objective was to create a single multilateral regulatory framework to replace some 1,600 bilateral investment treaties. Among other provisions, the MAI aimed at introducing the “national treatment” principle of non-discrimination to investment rules and foreign investors. Country of origin would have ceased to be a factor when applying rules on investment and trade in services in order to stop discrimination against foreign investment and facilitate its flows.

As the MAI was being negotiated within the OECD, though, a number of countries inserted exceptions and reservations that weakened the initiative. Concerned about the effect that MAI could have on cultural industries and fearing loss of leeway to subsidize or protect national industries, France introduced clauses for cultural industries. Motivated by a number of objections to the negotiations, including the treatment of cultural goods like any other merchandise, non-governmental groups in Australia, Canada, India, New Zealand, the United Kingdom and the United States joined the French government’s campaign against the agreement. The initiative collapsed, demonstrating how contentious these issues are and complicating future talks on trade in services and investment that affect countries’ cultural diversity.

SOURCE UNESCO 2000B, 2000C; PUBLIC CITIZEN 2004.

BOX 6***France's successful support of domestic cultural industries***

Under the “cultural exception” (*l'exception culturelle*) introduced during the Uruguay Round of trade negotiations and resolutely defended by the French government in the mid-1990s, the state promotes and pays for the production of Gallic culture—a successful example of public support for cultural industries.

The government subsidizes the production of televised versions of French fiction, a popular staple of public television. France imposes a 40% minimum quota of French language radio transmissions. (Canada has a similar system.) These measures have created opportunities for artists who might otherwise not have been able to crack the domestic market and have made France the largest film producer in Europe, effectively countering competition from Hollywood.

The French government robustly defends the cultural exception—but for how much longer will it be able to do so? The new menace comes not from the usual suspects—Hollywood or the World Trade Organization—but from Brussels. The European Commission is considering limiting the amount of support that countries are allowed to provide to their domestic production. If the new rules are passed, a strong wave of opposition is likely to come from groups that fear a loss of national identity through excess foreign films.

Source: Financial Times 2004.

BOX 7***The headscarf dilemma in France***

Should Muslim girls be allowed to wear headscarves in state schools? Would that contradict the principles of secularism (*laïcité*) and respect for freedom of religion? Does this freedom require public spaces to be kept free of religious influence? Or would that constitute discrimination against the Muslim immigrant community? Or does the headscarf reflect subjugation of women by men? Few controversies have aroused as much passion—on both sides—and raised more penetrating challenges to accommodating cultural diversity in recent years.

The controversy dates to 1989, when a secondary school expelled three young women who wore headscarves in class on the grounds that this violated French principle of secularism. This triggered massive public debate. The Council of State declared that the wearing of religious tokens is not in itself incompatible with secularism as long as it did not have an "ostentatious or militant" character. The Ministry of Education appointed a special mediator to deal with future such incidents.

The controversy quieted down until December 2002, when a girl in a predominantly immigrant neighbourhood in Lyon appeared in school wearing a headscarf. The headscarf had been reduced to a headband, covering neither her forehead nor her ears. The principal called in her parents and demanded that the girl stop wearing a headscarf to school. The parents protested that they had already accommodated French norms by reducing the headscarf to a headband. The mediator was called in but was unable to find an acceptable solution. Some teachers threatened to go on strike if the student were allowed to continue to wear the headscarf in school.

The affair quickly turned into a politicized debate. Members of the National Assembly on both the left and the right proposed a law explicitly prohibiting the wearing of headscarves in schools and other public spaces. Leftist intellectuals quickly took positions for and against: either in defense of freedom of expression and against discrimination against Muslims, or in defense of secularism and values of gender equality since it was thought that many girls were being intimidated into wearing the headscarf. During 2003 the Ministry of Education and the National Assembly established a committee of enquiry. In July an Independent Commission on the Application of Secularism in the Republic proposed a ban on the wearing of any obvious religious symbols in schools, including the headscarf.

Ultimately the legislation was passed, but opinions were divided—in defense of secularism and gender equality or in defense of tolerance and against discrimination. Positions did not fall as might be expected along typical divides: left-right, non-Muslim–Muslim, or women-men. Opinion polls taken just prior to the vote showed Muslim women equally divided for and against the new law (see table 3).

The case highlights the dilemmas that countries face in trying to accommodate the religious and other cultural differences of immigrant communities. As in this case there are difficult trade-offs and complex arguments. Those who defend the ban argue that it is a defense of freedom—freedom of religion and freedom of women from subordination. But so do those who argue against the ban—freedom against discrimination and unequal opportunities. Such trade-offs of principles are particularly difficult in public education, which is intended to impart the values of the state.

Table 3 Are you in favour of, or opposed to, a law banning signs or dress that conspicuously

display religious affiliation? (January 21, 2004)

	In favour %	Opposed %
All French	69	29
Left	66	33
Right	75	24
Muslims	42	53
Muslim women	49	43

Source: Zolberg 2003; Gutmann 1995; *The Economist* 2004b.

Box 8

Temporary contracts—welcoming workers but not people does not work

As states struggle to control the flow of workers in the globalized labor market, many are experimenting with temporary migration programmes. Immigrants recruited under such programmes are not offered citizenship; they are expected to work for a set period of time and then to go back “home”, making little impact on national culture and identity. Things rarely work that way.

Nearly every region at some time has recruited temporary workers to meet specific economic needs. In the 19th century hundreds of thousands of South Indians were recruited to the rubber plantations of Malaysia and to the sugar cane plantations of Trinidad and Tobago. In the United States an agricultural labour programme that started as a temporary solution to a shortage during World War II became a labour recruitment programme lasting several decades. A number of European countries, including Germany and the Netherlands, experimented with “guest worker” programmes in the 1960s and early 1970s. More recently, Middle Eastern oil-producing states have turned to temporary labour for construction and other projects. South Africa continues to depend on temporary migrants to mine its natural resources and, in just the last few years, Mexico has designed a programme for 39,000 temporary workers from Guatemala to harvest coffee.⁵³

Such programmes have provided opportunities for many to work and earn, sending billions home in remittances. But these programmes have also created marginalized communities. In the now famous phrase used to describe the European guest worker programme, “we recruited workers, but we got people”.

Many temporary workers often decide to stay, despite government efforts to prevent this—and then bring their families, creating communities of the undocumented. But because they are excluded from the mainstream, they create ghetto communities—feeding anti-immigrant sentiments. Explicit legal restrictions and powerful informal social obstacles, such as physically segregated housing compounds, also prevent migrants from full participation in society.

These situations leave migrants without protection from their home countries or their host countries. Legal residents without citizenship can be abused by employers and have little recourse to the legal or social services of the host country.

Source: Bach 2004.

Box 9***How Berlin promotes respect for cultural difference***

Berlin has earned a reputation in Germany as a pioneer in promoting the integration of immigrants. Berlin was the first among the federal states to establish an office to address obstacles to integration. In 1981 under the motto “Miteinander leben” (living with one another), the Commissioner’s Office of the Berlin Senate for Migration and Integration established a campaign for tolerance, respect for others and understanding. It conducts outreach activities in neighbourhoods with a high proportion of immigrants and public information campaigns describing the basic principles of the policy. The office also provides counselling and legal consultations in 12 languages, helping immigrants find jobs and tackle discrimination. Together with nongovernmental organizations, the office organizes regular training for the police on relations towards immigrants and conducts annual surveys on local attitudes towards immigrants.

The Commissioner’s Office builds capacity among immigrant organizations, helps immigrants organize into self-help groups and is a primary information source for people seeking advice on integration.⁵⁴ Half of its €6.5 million annual budget goes to funding immigrant organizations and groups.⁵⁵

The Commissioner’s Office has brought integration concerns to the attention of the media and the public. It has opened a direct channel of communication between immigrants and government. It has also focused on activities for both immigrant populations and ethnic Germans, showing that integration is a two-way process. Many other federal states have copied Berlin’s example.

Source: IOM 2003c; European Union 2004; Independent Commission on Migration to Germany 2001.

Special contribution

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Indigenous peoples and development

***“Development divorced from its human or cultural context is growth without a soul.
Economic development in its full flowering is part of a people’s culture.”²***

Indigenous peoples are proponents and representatives of humanities cultural diversity. However, historically indigenous peoples have been marginalized by dominant societies and have often faced assimilation and cultural genocide.

In the multi-cultural societies growing up around them, Indigenous peoples seek an end to such marginalization and fringe dwelling. Indigenous peoples have much to contribute to society and come both to national and international debates with valuable advice about the great issues facing humanity in the new millennium.

The Permanent Forum has stressed in its Second Session the importance of recognizing cultural diversity in development processes and the need for all development to be sustainable. Specifically recommendation 8 (E/2003/43) of the Second Session calls for “instituting a legal framework that make cultural, environmental and social impact assessments studies mandatory” (E/2003/43). The Forum also expressed concern over development practices that do not take into account the particular characteristics of indigenous communities as groups, thus significantly undermining meaningful ways of participation development.

Indigenous peoples are dynamic living cultures seeking their place in the modern world. They are not against development but for too long have been victims of development and now demand to be participants in and to benefit from a development that is sustainable.

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- 9 Assuming a \$3 admission price, an estimated one every ten people around the world saw the film 'Titanic.' Moreover, its titanic \$200 million production cost is dwarfed by its revenues: over \$1.8 billion worldwide, of which \$1.2 billion came from abroad. Such cost structures often create very high entry costs in domestic – let alone international – markets that justify public intervention (Data from The Internet Movie Database 2004).
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