## The Market for Ethics:

Culture and the Neoliberal Turn at UNESCO

bу

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Ethics is the market of the twenty-first century.

-UNESCO Official, Paris, June 2001

### **DEDICATION**

To the two people I admire most in the world: my parents.

Jim, a flamenco guitarist extraordinaire (and one of the first North Americans known to have mastered and recorded the art form), and Yasuko, a ballet-turned-flamenco dancer and artist who emigrated from Japan, both worked day jobs to support their family and their arts. They personally know the tensions between culture/s and economics that animate this project.

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And to Arun: rock, muse, partner in crime. Where there's a will, and you, there's a way.

#### **ABSTRACT**

This dissertation seeks to contextualize and theorize the institutionalization of public—private partnerships at the United Nations Educational, Scientific and Cultural Organization (UNESCO). Once considered a radical organization by the U.S. government, UNESCO now partners with corporations to launch projects that claim, among other things, to promote cultural diversity, bridge the digital divide or build intellectual property regimes. From peace to development as its institutional goal, from state to market as its mechanism of delivery and from the universal citizen to the local entrepreneur as its subject, UNESCO is undergoing a dramatic shift in organizational focus, one better designed to serve corporate interests than foster public debate about the meanings and uses of culture.

Though proponents bill partnership as a utopian solution to paralyzing conflicts of the past, I argue that it is a neoliberal response to neoliberal crisis. U.S. withdrawal from the organization was part of a policy to eviscerate international organizations as sites of challenges to U.S. hegemony, which eventually drove UNESCO to the private sector for funding, while neoliberal fallout led to protest against the private sector, which then sought to purchase the appearance of ethical behavior. This situation gave birth to what I call the "market for ethics": UNESCO and the private sector exchange forms of value to gain legitimacy and thus institutional survival, but in so doing they reproduce the same failed neoliberal paradigm in developing countries that initially led to the quest for partnership.

This dissertation will examine how culture is mobilized as a promising new resource in the market for ethics. Chapter One traces the historical battle over uses of cultural discourse at UNESCO, which eventually led to a role for the private sector at the organization; Chapter Two illustrates how the practice of corporate culture at UNESCO helps to embed the partnership agenda; Chapters Three and Four show how corporations use the discourses of cultural diversity and cultural universalism to expand market share through partnership with UNESCO. Each newly forged connection between culture and the market remains inherently contradictory, however, producing discursive openings for the creation of alternatives to the neoliberal paradigm.

# **TABLE OF CONTENTS**

DEDICATION	iv
ACKNOWLEDGMENTS	v
ABSTRACT	vii
LIST OF ACRONYMS	xiii
INTRODUCTION	1
The Ethical Laboratory	1
The Market for Ethics	8
The Role of Culture	17
Between Armageddon and Utopia at the Edge of the Millennium	24
Global Governance Networks: New Relevance in a New World	30
"A Vacant Space Between the Fourth Dimension and the Second Coming"	35
Public-Private Partnership: A Ubiquitous Panacea	48
OMG, CSR = BDF (LOL)	57
Neoliberalism and the Market for Ethics	73
Materials, Models, Methods	87
Chapter Outline	94
CHAPTER ONE A Historical Evolution Toward the Market	96
Constitutive Tensions	96
The Promise of Utopia through Modernization and Universalism	101
Nationalism, the Free-Flow Debate and the Global Expansion of Capital	108
The NWICO, Cultural Imperialism and Threats to Corporate Interests	118

	Boycott Diplomacy and the Ideological Nature of U.S. Withdrawal	131
	The Defeat of the NWICO and the Persistence of Free Flow	140
	Culture and Development	149
	Conclusion: The U.S. Rejoins UNESCO	164
C	HAPTER TWO The Remodernization of UNESCO: "A Promising Rapprochen	nent
S	omewhat Hindered By Misunderstandings"	171
	Once We Were Modern	171
	A Reservoir of Hope	177
	Hawking the UN Global Compact	180
	Poor Techie Missionaries	190
	Partnerships for the 21 <sup>st</sup> Century	192
	The Smooth Public Face of Partnership	196
	Following the Policy Trail	205
	The Neoliberal Shift	211
	The Market for Ethics and Deeper Embedding of the Private Sector	217
	Policymaking	221
	Localization	224
	Long-Term Commitments	227
	Risk Society	231
	Institutional Capture and Market Failure	233
	The Paradox of Common Goals and Neoliberal Solutions	236
	The Performance of Ethical Rehavior	240

Corporate Culture	260
Stretching Guidelines to Capture Risk	262
Branding and the Management of Visibility	269
Internal Capacities	272
Conclusion: A Fox in the Henhouse	279
CHAPTER THREE An E-Ticket to Marketland: Partnership and the Reproducti	on of
a Neoliberal World	283
Strange Bedfellows	283
The Production of Disney Worlds	291
The UNESCO-Disney Partnership and the Millennium Dreamers Project	303
The Transformation of Cultural Diversity into a Universal Market	311
Voluntarism, Personal Responsibility and the Invisibility of Labor	324
Commodification and the Corporate Invasion of the Body Snatchers	337
Return of the Repressed: Cultural Imperialism and the UNESCO Policy Trail	345
Conclusion: "A Capitalist Dream on Steroids"	356
CHAPTER FOUR Creative Coal, Diverse Steel: The Global Alliance for Cultura	ıl
Diversity	364
The Interdependence of Culture and the Market	364
Give Yeast, Not Bread	367
Creativity: A New Resource	373
Creative Cities	392
Cultural Diversity: A Mine of Value	405

The History of Cultural Diversity Discourse at UNESCO	409
Cultural Diversity and the Expansion of Capital	415
The Motion Picture Association of the Universe: Protector of Cultural Diver	sity
	419
Conclusion	442
CONCLUSION	446
WORKS CITED	460

#### LIST OF ACRONYMS

CFS Division of Cooperation with Extrabudgetary Funding Sources

CSR Corporate Social Responsibility

ERC Sector for External Relations and Cooperation

FDI Foreign Direct Investment

ICC International Chamber of Commerce

ILO International Labor Organization

IMF International Monetary Fund

MLT Section for Multilateral and Private Funding Sources

MPA Motion Picture Association

NGO Non-Governmental Organization

NIEO New International Economic Order

NWICO New World Information and Communications Order

RPO Division of Relations with Organizations and New Partnerships

RSC Division of Relations with Member States and National Commissions

UNCTAD United Nations Commission on Trade and Development

UN United Nations

UNCTC United Nations Center on Transnational Corporations

UNDP United Nations Development Program

UNESCO United Nations Educational, Scientific and Cultural Organization

WEF World Economic Forum

WHC World Heritage Center

#### INTRODUCTION

That the wide diffusion of culture, and the education of humanity for justice and liberty and peace are indispensable to the dignity of man and constitute a sacred duty which all the nations must fulfil in a spirit of mutual assistance and concern...—UNESCO Constitution, 1948

[P]artnership...recognizes synergies and alignment, creating multiplier effects, enables greater visibility with constituencies, leveraging impact...—UNESCO Website, 2001

### The Ethical Laboratory

In 1970, the final report of the United Nations Educational, Scientific and Cultural Organization (UNESCO) First Intergovernmental Conference on Institutional, Administrative and Financial Aspects of Cultural Policies declared that its Member States were "(c)onscious of the need to eliminate the consequence of colonialism and to protect national cultures from neo-colonialism and ideological expansionism." As such, the conference participants committed to a set of resolutions to counteract the "ill-effects" of technological change, increased global tourism and excessive commercialism and "to encourage the participation of vast masses of people in cultural activities and thus to replace an imported and alien elite culture with a genuine popular, national culture."

<sup>&</sup>lt;sup>1</sup> UNESCO. "First Intergovernmental Conference on Institutional, Administrative and Financial Aspects of Cultural Policies." Paris: UNESCO, 1970; 17.

<sup>&</sup>lt;sup>2</sup> Ibid., 11. While there was awareness of the harm tourism could cause cultural

Three decades later, the perspective on technology, tourism and mass commercial culture changed dramatically at UNESCO. The organization has recently engaged in partnerships with corporate leaders in each of these fields, among others, to facilitate cultural and educational projects. It has partnered with Microsoft to "bridge the digital divide" by helping it provide information and communications technology (ICT) training in developing countries; with Expedia and the "Friends of World Heritage" program to direct those interested in world heritage to the Expedia.com website where they can book travel to the sites, sign up to volunteer while there and donate funds to help protect them, in part, from the ravages of tourism; and with the Walt Disney Company to host international children's summits where youth participate in planning their future world and receive public recognition for their socially responsible behavior.

There has been a striking shift in the role and perception of UNESCO. The organization was formed in 1945 in the wake of World War II as a UN specialized agency charged with the utopian mandate of creating world peace through educational,

heritage, there were also discussions at UNESCO about encouraging tourism to help protect and share heritage as early as the '60s. Roger-Pol Droit. *Humanity in the Making: An Overview of UNESCO Intellectual History*. Paris: UNESCO, 2005; 136.

<sup>&</sup>lt;sup>3</sup> Some of the private sector partners include Alcatel-Lucent, Aveda, Carrefour, Cisco, Coca-Cola, DaimlerChrysler, Discovery Communications, Ericsson, Expedia, Felissimo, Ford Foundation, FNAC, Hachette, Hewlett-Packard, Intel, International Chamber of Commerce, J. Walter Thompson, L'Oréal, Maxilivres, McDonald's, Motion Picture Association, National Geographic, Panasonic, Relay, Rhône-Poulenc, Samsung, Sony, Shell, TV Globo, Universal-Vivendi and the Walt Disney Corporation.

scientific and cultural exchange. Since then, it has produced thousands of publications, programs and policies in these fields, such as increasing literacy rates, setting global scientific standards and identifying and attempting to protect the diversity of the world's cultures. Perhaps more importantly, it has served as an international setting for reflection and debate, albeit among the world's elite, about the ethical "construction of humanity." UNESCO describes itself as "a laboratory of ideas and a standard-setter to forge universal agreements on emerging ethical issues."

Despite these notable achievements and grand purposes, UNESCO is perhaps best known in this country for the dramatic story of U.S. withdrawal from membership in the 1980s. At that time, it was regarded by the U.S. government as a dangerously politicized Third Worldist organization bent on challenging American hegemony. Significant mainstream press coverage, fueled by the arch-conservative Heritage Foundation, condemned UNESCO's alleged history of anti-Americanism: from the organization's purported insufficient backing for the state of Israel and U.S. anti-communism efforts overseas to its supposed attack on the freedom of the press and embrace of pro-censorship policies due to its support for the New World Information and Communication Order (NWICO), which sought more balanced global information flows between First and Third Worlds in the postcolonial period.

<sup>&</sup>lt;sup>4</sup> Ancient Romans considered *humanitas* a unity of all members of society, possessing equal status and the same fundamental rights. Droit. *Intellectual History of UNESCO*; 21.

<sup>&</sup>lt;sup>5</sup> UNESCO. UNESCO: What Is It? What Does It Do? Paris: UNESCO, 2006; 1.

So there is surprisingly little coverage—almost none scholarly—of the fact that the U.S. rejoined UNESCO in 2003 under the George W. Bush administration and that the international organization once at the forefront of the battle against cultural imperialism is now in partnership with a number of transnational corporations, as part of an official partnership program institutionalized at UNESCO in 2001. Across the fields of media studies, international relations and business studies, I have located an article that identifies the Microsoft partnership as part of a strategy to expand neoliberalism; a chapter in a book about partnerships and multilateralism argues that the Microsoft partnership strengthens powerful market actors; and an article mentions a rejected proposal for partnership from oil and gas company Total in the context of a discussion about the appeal of partnership to corporations. But I have yet to find any scholarly literature on the UNESCO partnership program as a whole or any that analyzes or even identifies the broader shifts toward the market that have become apparent in UNESCO's programs and rhetoric—some well-established, some just incipient—from peace to development as its institutional goal, from state to market as the mechanism of delivery and from the universal citizen to the local entrepreneur as its subject. Although UNESCO now uses the term partnership to describe any

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<sup>&</sup>lt;sup>6</sup> Veva Leye. "UNESCO, ICT Corporations and the Passion of ICT for Development: Modernization Resurrected." *Media, Culture, Society* 29(6) 2007; 972-993. Benedicte Bull and Desmond McNeill. *Development Issues in Global Governance: Public-Private Partnerships and Market Multilateralism.* New York: Routledge, 1997. Julie LaFrance and Martin Lehmann. "Corporate Awakening – Why (Some) Corporations Embrace Public–Private Partnerships." *Business Strategy and the Environment* 14, 2005; 216-229.

relationship with external entities such as its national commissions or non-governmental organizations (NGOs) as well as the private sector, which itself consists of foundations and individual philanthropists in addition to corporations, I am focusing on private sector partnerships because, as I will argue throughout this dissertation, they are profoundly different. A market orientation not only impacts UNESCO partnership projects and institutional autonomy; it increases the position of the market in society at large.

As there is a body of literature concerning a sister partnership program at the United Nations (UN), the United Nations Global Compact (Global Compact, or Compact), now considered the world's largest corporate citizenship initiative, I will be using it as a basis to understand partnership at UNESCO, though most of it is limited in perspective. Susanne Soederberg puts well my own struggles to find literature that delves into the problem; to date, she says, the Global Compact has been analyzed within "mainstream frameworks of legal and business studies, and international relations theory, or, more specifically, liberal institutionalism, or, more generally, global governance theory...All firmly rooted in what Robert Cox called 'problem-solving theory' that assumes basic elements of the international system are not able to be transformed," while critical theory identifies the contradictions, which she

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<sup>&</sup>lt;sup>2</sup> Susanne Soederberg. "Taming Corporations or Buttressing Market-Led Development? A Critical Assessment of the Global Compact." *Globalizations* 4(4) December 2007; 500-513: 503. Robert W. Cox. *Approaches to World Order*. Cambridge, U.K.: Cambridge University Press, 1996; 5-6.

achieves in her article. She doesn't mention, however, that scholars affiliated with the independent United Nations Research Institute for Social Development (UNRISD) have also been strongly critical of partnership, as have some independent scholars, journalists and the anti-globalization movement; the Transnational Resource and Action Center (TRAC) has led campaigns against the Compact as well as published critical analyses on the subject.<sup>8</sup>

While Soederberg positions the Compact as a neoliberal response to neoliberal crisis and recognizes the historical role of the UN in reproducing hegemony in the global order, UNRISD and TRAC hold out more hope for the UN as a counterbalance to private power. I will also position UNESCO private sector partnerships as a neoliberal response to neoliberal crisis, recognizing the organization's historical highly politicized role in the postwar period, but will also hold out hope that UNESCO, as its mandate and one-member, one-vote structure suggest, might be used

<sup>&</sup>lt;sup>8</sup> Peter Utting. "UN-Business Partnerships: Whose Agenda Counts?" Paper presented at the "Partnerships for Development of Privatization of the Multilateral System" conference organized by the North-South Coalition, Oslo, Norway, December 8, 2000. Ellen Paine. "The Road to the Global Compact: Corporate Power and the Battle Over Global Public Policy at the United Nations." globalpolicy.org/reform/papers /2000/road.htm. TRAC put together a "Citizens Compact" between the UN and civil society with the support of many NGOs. TRAC. "Tangled up in Blue: Corporate Partnerships at the UN." TRAC, September, 2000. Danielle Knight. "United MacNations? The UN's Growing Alliance with Multinational Corporations." *Dollars and Sense* July/August, 2000. Kenny Bruno. "Perilous Partnerships: The UN's Corporate Outreach Program." *Multinational Monitor* March 2000. "The UN Sells Out." *The Progressive* September 2000. CorpWatch. "Other Partnerships." September 1, 2000. www.corpwatch.org.

for more democratic purposes. At the same time, I will acknowledge that states do not necessarily have the interests of minority self-determination in mind when they fight on behalf of cultural democracy but, rather, the protection of national political-economic interests. I will not advocate, however, for withdrawal from engagement with the organization. UNESCO is still a productive site to pressure both the private sector and states to be explicit about how they define and employ culture and to push them toward more radical purposes.

The UN literature does not address the role of culture in partnership, of course; thus, this dissertation will be an original attempt to contextualize and theorize private sector partnerships at UNESCO with regard to the uses of culture in neoliberal conditions. My closest models for this study, then, are not about UNESCO, but other cultural institutions, such as the British Broadcasting Company (BBC), the National Endowment for the Arts (NEA) or the Public Broadcasting Service (PBS), which I will discuss further in a section on method below. While these studies importantly discuss the effects of privatization and neoliberalism *on* these organizations and their programs, as I will with regard to UNESCO, I will also examine how UNESCO partnerships are a repair *for* and therefore contribute *to* extending the neoliberal

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<sup>&</sup>lt;sup>2</sup> "Each Member State shall have one vote in the General Conference." UNESCO Constitution, Article IV, Section C. 8.(a). UNESCO. *Basic Texts*. Paris: UNESCO, 2004. www.unesco.org. The General Conference is the primary decision-making body with all member states meeting every two years to determine policies and projects. The Executive Board consists of 58 states that oversee the execution of the program and meets twice a year to review the budget and program.

project. As such, I will be relying on the premise of George Yúdice's *The Expediency* of *Culture*: culture as a resource to help assuage neoliberal crisis. <sup>10</sup> "Compatible with neoliberal reconversions of civil society," Yúdice argues, "culture as resource is seen as a way of providing social welfare and quality of life in the context of diminishing public resources and the withdrawal of the state from the guarantees of the good life." <sup>11</sup>

### The Market for Ethics

In the family of United Nations agencies, UNESCO has long been the spoiled child. <sup>12</sup>—Barbara Crossette, The New York Times

UNESCO will need to produce products that business wants and can use.  $\frac{13}{2}$ —The Baker Report *on the UNESCO website* 

The neoliberal turn of the 1980s was the final chapter in a long history of U.S. political and economic pressure on UNESCO to reform toward the market. The removal of approximately one third of the organization's budget upon U.S. and U.K. withdrawal from membership and a role for the private sector and a market-oriented

<sup>&</sup>lt;sup>10</sup> George Yúdice. *The Expediency of Culture: Uses of Culture in the Global Era*. Durham, NC: Duke University Press, 2003.

<sup>&</sup>lt;sup>11</sup> Ibid., 279.

<sup>&</sup>lt;sup>12</sup> Barbara Crossette. "UNESCO's Fat Gets a Trim and Reform Is in the Air." *New York Times*. March 5, 2000. globalpolicy.org/finance/info/unesco.htm.

<sup>&</sup>lt;sup>13</sup> Wallace R. Baker. "Private Sector Partnerships: A Personal Contribution from a Private Sector Perspective." ERC-2003/WS/07. Paris: UNESCO, 2003; 40. www.unesco.org.

ethos as two of the Reagan administration's five points of reform required for the U.S. to rejoin provided a fairly clear-cut rationale for instigating corporate partnerships at UNESCO. A spokesperson from the U.S. Mission to UNESCO in Paris, which represents U.S. government policy positions at the organization, said in a recent interview that the U.S. government did not directly initiate private sector partnership at UNESCO, but was "happy to see it," noting that since the organization was once "anti-capitalist," when partnership first started, some UNESCO officials were truly shocked, "like it was a bargain with the devil or something." 14

At the same time, says one critic, "(a)ll UN officials are keenly aware that support from the United States is predicated upon a friendly stance toward business." UNESCO officials are also well aware of some of the risks involved in partnering with corporations and the inherent potential for conflicts of interest that a public–private partnership poses, such as corporate unethical behavior tainting the organization's reputation and damaging its relations with its constituents. They are notably less concerned, however, about the potential for the outright erosion of the organization's sovereignty and historical mandate by corporate pressure to serve profit-making ends. As one UNESCO official put it, it is no longer a matter of "whether" to partner with

<sup>&</sup>lt;sup>14</sup> U.S. Mission to UNESCO Official, Interview, 2006. In the *Left Behind* Christian eschatological book series, it is the "Global Community" or GC, a successor to the UN, that is an evil empire run by the devil. "It is no accident…that the poor old UN is Antichrist's chosen vehicle. International agencies and supra-national currencies are works of the devil." "Beyond the Rapture." *The Economist*. August 22, 2002.

<sup>15</sup> Bruno. "Perilous Partnerships"; 1.

corporations but simply "how"; management is the name of the game and policy is expected to address and contain the risks. The inevitability of the market-dominated world or the "neoliberal turn" had thus, at some point, been accepted institutionally: UNESCO appears to have had no choice but to join that world for the survival of the organization.

Interestingly, there is little mention by UNESCO officials or in UNESCO documents of partnership as a neoliberal reform. In fact, they bill the partnership program not as a defensive reaction but an offensive strategy to increase the visibility of the organization in order to survive in a new world. Fortunately, that new world, according to UNESCO, produced a series of factors that have granted the organization the opportunity to secure its survival. First, UNESCO recognizes the market as the "key generator of wealth," but also that the "complexity of globalization" does not allow an equitable distribution of that wealth. At the same time, corporations and consumers have become increasingly interested in social responsibility and ethical products. This gives UNESCO, with the world's absolute advantage in the global exchange of educational, scientific and cultural knowledge for world peace, a new role as an ethical broker between actors to redistribute value. Once demoted to "just a topic for the intellectuals," as one UNESCO official recently described its prepartnership ineffectualness, the organization could therefore become even more

 $<sup>\</sup>frac{16}{2}$  UNESCO Official, Interview, 2001.