

The Impact of Globalization on Cultural Industries in United Arab Emirates

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**ACCEPTED FOR PRESENTATION AT THE 2003 HAWAII
INTERNATIONAL CONFERENCE ON BUSINESS TO BE
HELD FROM JUNE 18 TO JUNE 21 IN HONOLULU,
HAWAII**

INTRODUCTION

Cultural industries have come to be included in a distinct sector where the creation, production and marketing of goods and services are combined. Cultural industries include media organizations, film production, audiovisual sphere, the print output, multimedia sector, architecture, performing arts, plastic arts, and cultural tourism (UNESCO, 2000). Cultural industries produce consumer goods that convey lifestyles and values with both an informative and entertainment function, and cultural services that cover intangible activities such as the promotion of the performing arts, films, and values.

According to the UNESCO report (2000), between 1980 and 1998, international trade in cultural goods increased five-fold. Interestingly, in 1990, 55 percent of world's exports of cultural goods involved just 4 industrial countries (Japan, USA, Germany and the UK). In the same year, western countries such as France, UK, Germany and the US accounted for 47 percent of global import-flows of cultural goods. In recent years, China has emerged as a major player in the international trade arena, exporting a very large number of cultural products.

In 1996, cultural products occupied top spot in the hierarchy of US exports. In fact, the US earned US\$60.2 billion from the exports of cultural products leaving behind such traditional export sectors as automobiles, agriculture, aerospace and defense. Conspicuously, the copyright-based cultural industries in the US put up growth rate three times as fast as the annual growth rate of the GDP (IIPA, 1998). These numbers clearly confirm the widespread belief that cultural industries, particularly in the west have been spreading their wings far and wide.

The UAE has rich cultural heritage influenced by Islam and Arab traditions. The Emirate of Sharjah, in particular, has been recognized by UNESCO as a fascinating emirate that has taken important steps to protect the rich Arabian cultural heritage. In fact, all other emirates in the UAE have taken steps to protect all aspects of the Arabian culture in the emerging scenario of globalization. For instance, the Dubai Shopping Festival which seeks to attract tourists from various parts of the world is anchored in the local traditions and cultural values. .Being an open economy, the UAE has witnessed the imports of a wide range of cultural products and services in

recent years. These products and services have certainly affected the lifestyles of people in the country (see Appendix 1)
Although there is virtual unanimity among economists that gains stemming from globalization of business are enormous for the nations of the world, concern about its perceived negative effects on national cultural industries has been expressed far and wide(Anderson, et al, 200; Dollar and Kraay, 2001; Sutherland, 2002 ; Wei and Wu 2001 and <http://www.spc.int>., among others). The Arab world, in particular, has witnessed interesting debates in the media about the impact of globalization on national cultural industries. Hence, it would be interesting, in this paper, to assess the impact of globalization on media organizations which play an important role in the cultural context of United Arab Emirates (UAE).

LITERATURE REVIEW

Anthropologists, sociologists, psychologists and economists have documented the fact that people in different cultures, as well as people within a specific culture, hold divergent value systems on particular issues. Bass et al. (1979) Studied the attitudes and behaviors of corporate executives in twelve nations and found that the world is becoming more pluralistic and interdependent. Laurent (1983) found in his research some differences across national boundaries on the nature of managerial roles. Hofstede (1980) corroborated and elaborated on the results of Laurent's and others' research results in a forty-country study, which was later expanded to over sixty countries, in which 160,000 employees from American multinational corporations were surveyed twice. Hofstede, like Laurent, found highly significant differences in the behavior and attitudes of employees and managers from different countries, which worked within multinational corporations.

The impact of globalization on culture has been a significant research area now for nearly three decades, with several examples of research being undertaken in different cultural contexts (Glenn and Glenn 1981, Hofstede 1980, 1991, Egan 1994, Kono 1994, and Pothukuchi et al 2002, among others). In the Arab world, it has been found that globalization of business has had an impact on business practices and management styles (Anwar and

Chaker, 2003). Therefore, it would be analytically interesting to find out the interaction of global media organizations operating in the Dubai Media City with the cultural values of the country and the Arab region at large.

METHOD

Against the backdrop of the policies being pursued by the UAE to protect its culture in the era of globalization and the evidence of proliferation of a large number of cultural products and services, this study adopts a case study approach to assess the impact of globalization on media organizations in the UAE. This kind of approach is in line with the methodology used in contemporary literature (Abbott, 1988).

THE CASE OF DUBAI MEDIA CITY

The open trade and investment policies pursued by the UAE are manifested in the establishment of the Dubai Media City. An overarching objective of the City is to carve out a niche for itself in the regions of the Middle East, Africa and South Asia. There are nearly 550 media organizations, including CNN Reuters, Sony Broadcast and Professional, McGraw Hill Publishing, Bertelsmann and MBC operating in the City. The business lines of these organizations include broadcasting, publishing, advertising, public relations, research and development, music and creative services.

The City has been established in the tradition of a free trade zone, thus allowing organizations 100 percent ownership with commercial incentives including tax exemption for 50 years. Moreover, there are no customs duties for these firms. Interestingly, the City provides state of art infrastructure for media organizations to flourish and compete effectively on the global stage. The globalization of media organizations is clearly visible at the City. An interesting question now is how would the UAE protect its culture and values. Although the constitution of the UAE provides freedom of speech, there is regulatory and administrative control of the behavior of media organizations in the country. For instance, a 1988 law requires that all publications must have a license and practice ethical behavior. The UAE society has strong Islamic and cultural values. It is an article of faith that the media organizations would respect these values in all their endeavors. In order to address the research problem addressed at the outset of this paper, the researcher interviewed 5 senior managers of media organizations

placed in the Dubai Media City to discover the logic of linkage between globalization and organizational culture in an Arabian context is being established at the City. The following matrix provides an overview of the linkages emerging from discussions with the practicing executives.

Table 1. Globalization and Dubai Media City: Some Logical Linkages

Characteristics	Media Logic	Globalization Logic
Economic Wisdom	Profit after serving society	Market capitalism
Organizational Identity	Media as Profession	Media as business
Legitimacy	Image and Reputation	Global Market Share
Authority Structure	Private Ownership, Personal Networks	Corporate Parent Firm, Multinational Networks
Mission	Goodwill and Sales Upturn	Build Competitive Position and Market Leadership
Focus of Attention	Media-people Relationships	Resources
Strategic Thrust	Organic Growth	Acquisition Growth
Governance	Media City Family	Market for Corporate Control

The author found great support for the market logic explaining globalization while service to the society occupied pride of place in the hierarchy of objectives of media organizations in the City. Admittedly, globalization of media organizations is unavoidable. If global media organizations are made to exercise judicious control over the dissemination of information that might come in conflict with the cultural values of a host nation, cultural values could be protected.

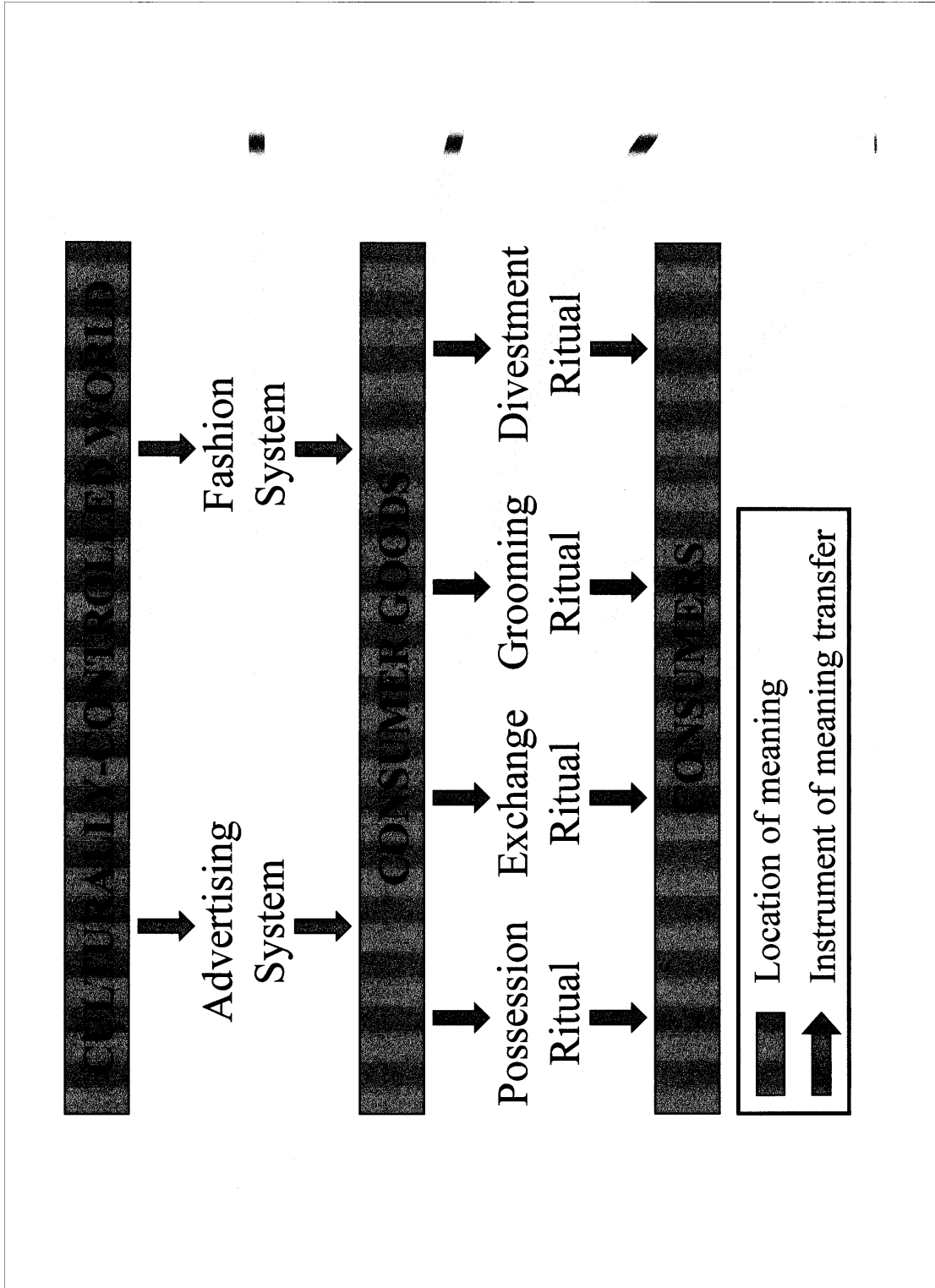
Conclusion

The main conclusion that emerges is that it is possible to protect national culture and traditions in the emerging scenario of globalization with the help of carefully designed policy tracks. The Dubai Media City is anchored in the value system and the regulatory framework of the Gulf Co-operation Council (GCC) countries. It is likely to uphold the cultural order of the region. However, some of the cultural products and services have universal

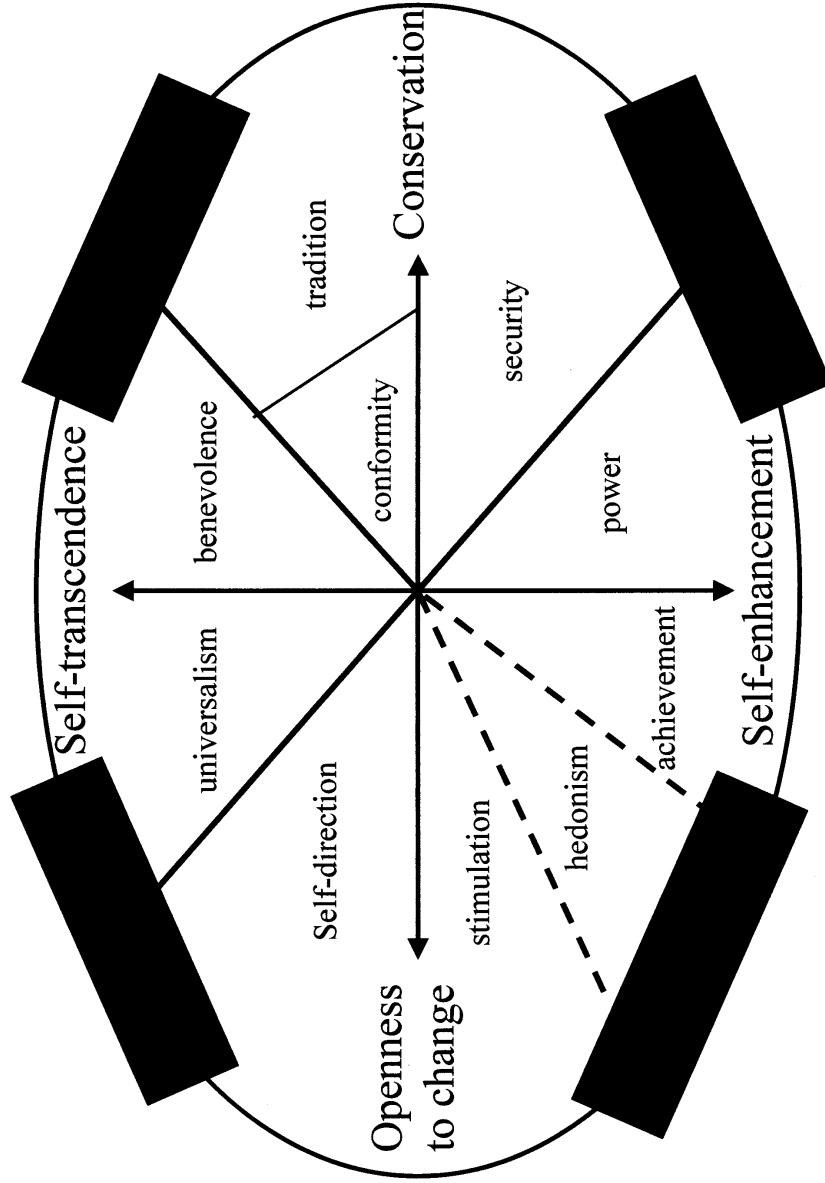
appeal and they can of course be used anywhere in the world to enrich culture.

The media and communications market in the developed world has witnessed a remarkable rate of growth, reaching 400 percent of growth between 1980 and 1998 (UNESCO, 2000). The potential wealth of the sector couldn't have gone unnoticed by a dynamic country such as the UAE. The Dubai Media City is surely likely to be in the business of generating wealth, but it would also have to grow in line with the socio-cultural values of the Arab world.

APPENDIX 1



Individual Value Structures



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