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## **From ‘business culture’ to ‘brand state’: conceptions of nation and culture in business literature**

### **Abstract**

This article examines changing conceptions of culture and nation in business literature from the early 1990s to the present. In the early 1990s the growth of literature concerned with depicting the cultural diversity of different national varieties of capitalism and business systems within Europe, or ‘business cultures’, seemingly betokened an interest in cultural diversity in the business world. This seeming interest in cultural diversity, however, concealed an implicit neo-liberal teleology which cast doubt on this: the assumption that ‘business cultures’ should be measured and judged against the ideal of a ‘culture-free’ ‘entrepreneurial economy’. This teleology implies a convergence hypothesis and change in the cultural role of the nation state to that of a ‘location manager’, whose role is merely to guarantee the most favourable conditions for business with the minimum of state intervention. This reconceptualization of the nation leads to the discourse of the ‘brand state’, in which ‘culture’ is seen as just equivalent to those aspects of a country’s ‘brand equity’ which meet the requirements of instant recognizability to the outside world, presented as a ‘unique selling point’.

**Keywords:** business; culture; neo-liberalism; discourse; brand state

## **Introduction: neo-liberalism, teleology and culture**

In discussing the legacy of Marxism in his book *Specters of Marx* Derrida identifies a form of teleological thinking about history as characteristic of the systems of thought which underpinned the 'real existing socialism' of the former Communist countries of Eastern Europe, which he describes as an 'ahistoric telos of history' or 'messianic eschatology' (Derrida 1994: 57). The nature of this telos was that history was conceived of as an ideality, an 'incontestably self-evident' truth towards which history was inevitably moving (Derrida 1994: 52). In relation to this telos, empirical reality was relegated to the 'mere' history of empirical events: 'Everything that appears to contradict it would belong to historical empiricity, however massive and catastrophic ... and recurrent it might be' (Derrida 1994: 52).

Ironically, such teleological thinking, characteristic of a dogmatic form of Marxism, is also present, Derrida argues, in that discourse which claims in its rhetoric to have replaced Marxism as the sole possible mode of thinking and political-economic system after the 'end of history', neo-liberalism. Examining Fukuyama's *The End of History and the Last Man*, a book which epitomizes this neo-liberal triumphalism, Derrida notes that its rhetoric of finality is based on a 'sleight of hand trick':

*With the one hand*, it accredits a logic of the empirical event which it needs whenever it is a question of certifying the finally final defeat of the so-called Marxist States and of everything that bars access to the Promised Land of economic and political liberalisms; but *with the other hand*, in the name of the trans-historic and natural ideal, it discredits the same logic of the so-called empirical event, it has to suspend it to avoid chalking up to the account of this ideal and its concept precisely whatever contradicts them ... (Derrida 1994: 69)

Just as Marxism, at least the dogmatic version of it which was prevalent in the Eastern European communist states, Derrida argues, ignored any problems or challenges to itself in the name of a teleological ideal against which 'empirical events' could be dismissed, so triumphant neo-liberalism, in Fukuyama's version of it, ignores any problems associated with Western political and economic liberalism, such as those which have resulted from the application of neo-liberal policies in Eastern Europe, in the name of 'progress', an unquestioned teleological ideal towards which all economic and political systems are believed to be moving.

A similar teleological 'sleight of hand' can be observed, I will argue, in thinking about 'culture' in business literature. On the one hand, since the 1990s business seems increasingly interested in cultural diversity and in the different institutional arrangements affecting different political economies. On the other, this seeming concern with cultural diversity masks a negative attitude to culture – culture is seen as just *something to be overcome* – a barrier on the way towards an ideal future state of business which is 'beyond culture' and against which present 'business cultures' can be ranked and judged. The empirical reality of culturally different business systems, then, is seemingly simultaneously respected and ignored as part of this teleology.

## Corporate ‘multiculturalism’

The nature of the relationship between culture and a neo-liberal teleology can be seen as epitomized in the emergence of ‘corporate multiculturalism’ (Matušík 1998), which can be defined as a ‘complementary discourse to globalization’ which ‘can be employed to manage the often problematic consequences of cultural diversity’, whether the diversity relates to the organization’s own employees or to the cultures of countries with which it does business (Banerjee and Linstead 2001: 685). ‘Corporate multiculturalism’ appears to be a discourse which recognizes cultural diversity, but, it is argued by its critics, only does this insofar as it reduces culture to ‘a spectacle, an ‘exotica of difference’ (Banerjee and Linstead 2001: 704). While appearing to be ‘postcolonial’ in its intent, therefore, recognizing the right of distinct cultures to exist, ‘corporate multiculturalism’ can be seen as in fact a new form of colonialism, and thus ‘the ideal form of ideology of ... global capitalism, ... the attitude which, from a kind of empty global position, treats *each* local culture the way the colonizer treats colonized people – as ‘natives’ whose mores are to be carefully studied and ‘respected’ (Žižek 1997: 44).

Žižek here points to two essential features of the discourse: firstly, it appears to operate from an ‘empty’ position, or as I will argue below, sees the end point of a teleological development as consisting of a ‘culture-free’ ‘entrepreneurial economy’ in which business operates free of restrictions from the social state and individuals overcome their ‘cultural dispositions’ towards certain traits which are inimical to the development of this culture free ‘entrepreneurial economy’. In other words a colonial mode of thinking presents itself as ‘post-colonial’ and liberating: ‘Strictly speaking, we have left the problems of post-coloniality, located in the former colony ... *only* to discover that the white supremacist culture wants to claim the entire agency of capitalism – re-coded as the rule of law within a democratic heritage – *only* for itself (Spivak 1999:398) We can see the ultimate stage of this development, it will be argued, in the ‘post-national’ discourse of nation branding, where the reduction of a country’s culture to a series of ‘efficient stereotypes’ for outside consumption is seen as progressive, where the only other alternative presented is a return to retrogressive ethnic nationalism.

The second essential feature of the discourse of ‘corporate multiculturalism’ is that it constructs and legitimizes certain forms of ‘local knowledge. Once again, the apparent desire to map, document and study ‘local’ cultures, in particular different ‘business cultures’ and managerial styles, seems to betoken a break with colonialism: ‘while colonialism generally served to undervalue or invalidate other knowledges, transnational capitalism seeks to own, exploit and profit from other knowledges’ (Banerjee and Linstead 2001: 691). In particular, ‘corporate multiculturalism’ seeks to construct a form of local knowledge which establishes an essential link between economic activity and certain purported measurable ‘cultural traits’ which exclude any reference to political economy and to the desirability of the political direction of economic activity.

We can trace the origins of such thinking and the beginnings of current interest in ‘culture’ in the business world, to the conviction that ‘there is a link between management practice and the culture of a given society’ (Holden 2002: 34). Seminal

works in cross-cultural management and cross-cultural organizational behaviour, such as the studies of Hofstede (1994; 2001) and Trompenaars (1997) and Trompenaars and Hampden Turner (2002) supply the necessary empirical link between management practice and culture in the form of 'periodic tables' which form the foundation of a belief system, namely that 'it is possible by surveying and systematizing the behaviour and stated attitudes of individual members to penetrate and expose the core assumptions and values of any culture' (Holden 2002: 28).

This notion of culture as 'collective programming' of managers' minds (to use Hofstede's terms) within national value systems was clearly produced in response to the demand for a commodified form of cultural knowledge for clients, 'with a largely instrumental interest in overcoming difficulties that cultural differences create', and who 'need to be persuaded that culture is a significant, identifiable factor behind the conflicts and misunderstandings arising in their interactions with particular others' (Dahlen 1997: 177). This commodified form of intercultural business knowledge has thus first to establish the importance of cultural difference to business persons and is thus 'virtually programmed to exaggerate differences between cultures and to generate criteria to rank them competitively' (Holden 2002: 28). The ability to rank nations according to economic performance and to link this to certain essential cultural traits is, then, an important aspect of the relationship of culture to a neo-liberal teleology: by means of this certain cultures can be identified as 'exemplary' and as 'models', and certain cultural traits which are inimical to 'entrepreneurship' can be identified and portrayed as in need of correction.

While literature in the field of political economy has emphasized the institutional and culturally embedded nature of the arrangements affecting business in different systems of capitalism (Whitley 1992, 1996; Coates 2000; Hall and Sockice 2001), much 'multiculturalist' business literature, in contrast, rather than seeing such differences in national capitalisms as explained by legitimate political preferences for arrangements affecting business (Roe 2003), reifies them as *cultural* attitudes and interprets these as either the failure of certain nations to adjust to global economic trends. By reifying what is *political* as a *cultural* attitude business intercultural literature thus accomplishes a similar 'sleight of hand' to that identified by Derrida: one the one hand 'culture' is identified as an important variable, on the other it is explained away in relation to an unquestionable neo-liberal teleology of a 'culture-free' global economy.

One of the most important elements of the successful establishment of the hegemony of the discourse of 'corporate multiculturalism' is the redefinition of role of the nation-state and the adoption of a form of 'postmodern' politics in the service of the legitimization of neo-liberalism. The principal dimension of this form of politics is the realization that 'far from being a 'natural' unity of national life, ... the universal form of the Nation-State is rather a precarious, temporary balance between the relationship to a particular ethnic Thing (patriotism, pro patria mori, and so forth) and the (potentially) universal function of the market (Žižek 1997: 42). How, in other words, does the nation-state react to the apparent undermining of its legitimacy by the economic forces of globalization? One possible reaction is the tipping of the 'precarious balance' which Žižek refers to in favour of ethnic nationalism, protectionism and exclusivity, the unacceptable consequences of

which have been condemned by Beck (...), Habermas (...) and others, such as the upsurge in 'ethnic' nationalism in Eastern Europe and the former Soviet Union in the 1990s and 2000s.

It appears, then, given the danger of a return to ethnic nationalism, that a concept of national identity based on that of a company and the state as a 'brand manager' is a desirable alternative

### **The concept of 'business culture'**

With the creation of the European Single Market in the early 1990's there arose a need for business people to familiarize themselves with national cultural differences. The principal concept on which much of this literature was based was that of 'business culture', defined as 'the attributes, values and norms which underpin commercial activities and help to shape the behaviour of companies in a given country' (Randlesome 1990: xi). The concept of 'business culture' thus defined seemed to embrace the diversity of differing culturally embedded systems of capitalism within Europe. Randlesome, for instance, states: 'there is no such thing as a single, homogeneous European business culture' (Randlesome 1990: xi). Behind this implicit interest in cultural diversity, however, there was also an implied teleology of 'progress' and a judgemental aspect to the concept 'business culture': the assumption that in some countries 'business cultures' were more 'developed' than others. Randlesome, for instance, argues that in the same way as we can judge the level of general cultural development as 'the state of intellectual development among a people' (a debatable assumption from a cultural point of view), we can measure the state of development of a business culture in a country (Randlesome 1990: xi).

There is, then, an implicit standard against which the state of development of a 'business culture' can be measured, namely its development towards the ideal state of an 'entrepreneurial economy'. This ideal is evidently culture-free in two respects. Firstly, the concept 'entrepreneurship' itself is defined independently of any discussion of to what social purposes 'entrepreneurship' should be put and what political constraints should be put on it to ensure social benefit for citizens of a particular polity. As Whitley emphasizes, it is only when such social and political questions are taken into consideration that differences in national business systems can be understood: 'the degree to which (business systems) are nationally distinctive reflects the national distinctiveness of cultural systems, socialisation patterns and financial systems' (Whitley 1992: 37).

The second aspect of the relationship between the concept of 'business culture' and a culture-free ideal of an 'entrepreneurial economy' becomes apparent in relation to the question of possible conflicts between what are defined as 'business values' and wider social and cultural values within particular political economies. In relation to one such social value, for example, the question of how long people should work in any one week, which might be expressed as a cultural preference in a particular country to retain limitations on the working week, where such a cultural preference might conflict with 'business values' it is interpreted negatively in terms of the state of 'development' of that

nation's 'business culture'. A 'business culture' in such a case, is, then, not described simply as an *objective cultural fact*, but as a *problem to be overcome* in its teleological development towards the state of an 'enterprise economy'. This is particularly true of countries traditionally described as 'social market economies' or 'coordinated market economies' (Hall and Soskice 2001), which are often presented in unequivocally negative terms.

This implied teleology becomes more explicit later in the 1990s as 'business culture' literature begins to cover not just Western European countries, but also the countries of the former Communist Eastern Europe. Bateman (1997), for instance, clearly implies such a teleology in the description of how the former Eastern European countries as 'transition' states are moving from 'a post-communist state on the journey towards political democracy and the market economy' (Bateman 1997: xiii). While acknowledging that social problems such as 'joblessness, economic insecurity, fear for the future and despair' (Bateman 1997: xiii) might be the result of the 'transition' as experienced in some Eastern European countries, the possibility that such social problems might lead in some countries to a cultural preference for a variety of capitalism which, although having rejected many of the features of the communist past, nevertheless does not fully embrace the supposed virtues of the ideal of a neo-liberal deregulated economy, does not seem to be countenanced. Rather, the state of 'development' of 'business cultures' in Eastern European countries is seen as indicating 'the extent to which progress has been made in the vital process of developing an advanced business culture' (Bateman 1997: xiv). An 'advanced business culture', then, is clearly defined here as a *culture-free* ideal, based on the model of 'successful' Western democracies, against which the 'cultural progress' of each Eastern European country can be judged. The possibility that Eastern European countries might adopt their *own*, culturally distinct form of capitalism seems to be excluded.

We can observe in the 'business culture' literature of the 1990s clear evidence of an implied convergence hypothesis. There a variety of perspectives on convergence, but most important of these from the discursive point of view being considered here is the economic one, the belief that the nation-state is increasingly powerless to intervene in or influence the decisions of economic actors within its territory (Boyer 1996). While there may previously have been a choice about the ways in which members of a particular culture, nation or political economy organized, according to a convergence hypothesis, such a choice no longer exists. Given this, nation-states can do nothing about the decisions of economic actors in their territory except to deregulate, lessen state involvement in the economy, and thus make the nation 'competitive' internationally (Wade 1996). We can gain a closer understanding of how this implied convergence hypothesis functions as a discourse by conducting a critical examination of Trompenaars and Hampden Turner's *The Seven Cultures of Capitalism: Value Systems for Creating Wealth in the United States, Britain, Japan, Germany, France, Sweden and the Netherlands* (1993).

Trompenaars and Hampden-Turner define a 'culture of capitalism' in a similar way to that in which 'business culture' was defined, however by referring to the broader term



‘capitalism’, they appear to recognize that wider historical, political and social factors in a country may affect ‘business values’:

Members of a culture are likely to share common attitudes because they share a common history. Cultures are indelibly marked by what worked well for them in the past. Of course, this is no guarantee that any given wealth-creating system will continue to work in the future... . (Trompenaars and Hampden-Turner 1993: 13).

The last sentence indicates an ambiguous aspect of a ‘culture of capitalism’ thus defined. While a ‘culture of capitalism’ may indicate a cultural preference for a type of institutional arrangements for business within a country, these cultural preferences may be incompatible with what Trompenaars and Hampden-Turner define as the cultural characteristics necessary for success in the global economy. The key assumption, then, is that there *is* a set of cultural characteristics which will lead to success in the global economy.

The relationship between culture and ‘business values’ is conceptualized, as in Trompenaars and Hampden-Turner’s other works (Trompenaars 1997, Trompenaars and Hampden-Turner 2002), by means of cultural dimensions of managerial values, expressed as pairs of binary opposites such as universalism and particularism, individualism and communitarianism. Each ‘culture of capitalism’, according to Trompenaars and Hampden-Turner, has a ‘cultural pre-disposition’ to favour one term in these pairs of binary opposites rather than the other. The state towards which the world is moving, however (and thus what could be defined as the culture of ‘*global* capitalism’ rather than of national capitalisms), is one in which ‘cultural predispositions’ to prefer one cultural value over another are *overcome* and there is a ‘balance’ between values:

That one value in a pair is more extolled than the other is a fact of culture. Our thesis of economic development is, however, that each value in the pair is crucial to economic success. The capitalist cultures which succeed in the next century will be those that overcome their cultural predispositions to favor, for example, individualism at the expense of community, and bring seemingly opposed values into balance. (Trompenaars and Hampden-Turner 1993: 10)

Although Trompenaars and Hampden Turner are careful to say that the global culture of capitalism will not be a monoculture in the sense that any one of the existing ‘cultures of capitalism’ they examine, for example the USA, will inevitably become *the* future monoculture of global capitalism, nevertheless it is clear that the global culture of capitalism they envisage is in fact a state *beyond* national cultures of capitalism.

We can see a clear example of this logic in Trompenaars and Hampden-Turner’s description of one particular ‘culture of capitalism’, Germany, whose political economy has traditionally been categorized as a paradigmatic example of a social market economy (Albert 1993, Streeck and Crouch 1997, Hall and Soskice 2001). The titles of the section headings of this chapter alone, ‘A Rule for Everything’ (209), ‘The Labyrinthine Mind’ (211), ‘A Deep Ambivalence to Money’ (217), betray the negative portrayal of putative

aspects of German ‘national character’. With reference, among other things, to Goethe’s *Faust*, Nietzsche, and Romantic poetry, the authors seek to explain the characteristics of the ‘Germans’ which prevent them from enjoying the fruits of the new ‘entrepreneurial economy’:

An interesting ramification of German seriousness and their preference for creating wealth by painstaking methodological preparation is that the German economy has moved more slowly than most toward the sensuous expressions of the consumer society. It is as if they no longer trust impulses and whimsy because they are fleeting and superficial. Germans have been much scolded by American and British scholars in this regard. (Trompenaars and Hampden-Turner 1993: 216)

Similarly, in a historical excursus on the hyperinflation of the Weimar Republic and its relationship to the Third Reich, the authors explain the present ‘under-development’ of the financial sector in Germany:

Today, Germany’s horror of loose money is still very much in evidence. Her financial sector remains small. Her dislike of debt is so strong that by 1987 credit card use has reached only 2 percent of the population. Perhaps more serious is the dislike of anything risky or speculative, including entrepreneurship. (Trompenaars and Hampden-Turner 1993: 221)

A legitimate desire for order in the economy, justified caution regarding consumer debt, or concern about the social consequences of financial speculation is here depicted as a *psychological problem*, a failure of a culture and its inhabitants to overcome a ‘cultural predisposition’ to be cautious based on painful past experiences, rather than, for instance, as a cultural expression of the desire to limit the worst excesses of free-market capitalism in order to protect the socially vulnerable

The essentialist correlation of cultural characteristics with economic success in ‘business culture’ literature and its corollary, the identification of certain ‘cultural predispositions’ as incompatible with it, as exemplified here, can be seen to have two main implications. Firstly, this establishes an essential link between national stereotypes and economic performance which, due to the popularity and widespread nature of such literature, have become familiar through use in business education and transnational business (Dahlen 1997; Moore 2004, 2005). Secondly, this link forms the foundation for a discourse surrounding the relationship between the success of certain national ‘models of capitalism’ and their export to other cultures whose development I will examine in the next section.

### **‘Models of capitalism’ and the role of the nation state**

The relationship between cultural traits and the economic performance has been the subject of much empirical research in cross-cultural management literature in the 1990s. Franke et al. (2002), reviewing this empirical research, state that evidence clearly points

to a link between certain cultural dimensions and economic success. While in the early 1990's, for instance, values such as the collectivism and long-term orientation or 'Confucian dynamism' of countries such as S. Korea or Japan were seen as a model for economic success to be copied by the West, in the late 1990s and 2000s this has changed. Now,

Nations that are high in inventiveness and individualism, such as the US, Britain and the Netherlands, currently are blossoming in the "new economy", while some developed but less individualistic nations such as Japan are struggling. (Franke et al. 2002: 15)

While *which* cultural dimensions are considered favourable to economic success might have changed in the last ten years, the link between economic success and cultural characteristics, as measured by cultural dimensions, it is argued, remains. Most importantly, this implies that understanding these links and the consequent ability or inability of certain nations to embrace or adopt desired cultural attributes will enable us to rank and predict a country's economic success in the future. Thus emerges the idea of competing 'models of capitalism' and a consequent discourse about the desirability of countries following the 'model' set by others.

The discourse of distinct and competing 'models of capitalism' was popularized in the early 1990's by Michel Albert in his book *Capitalism against Capitalism* (1993), in which he argued that in the post-communist era ideological debate in Europe was now, rather than between communism and capitalism, between opposing models of capitalism, principally the consensus-based, 'Rhine' model on the one hand and the individualist, free market 'neo-American' model on the other. Although other typologies have challenged this dualistic schema (Coates 2000; Amable 2003; Schmidt 2003), its very dichotomous nature is what has arguably gained it popularity in business literature. As Amable notes, there has been a tendency, particularly in the media, to portray the diversity of capitalisms in Europe in terms of a 'good' capitalism at one end of the spectrum and a 'bad' capitalism at the other (Amable 2003: 77). For proponents of a neo-liberal Europe, the 'good' (i.e. successful) model of capitalism to be followed is the 'Anglo-Saxon' model, and the 'bad' (i.e. unsuccessful) model that of those countries such as France and Germany who have expressed cultural preferences for the retention of a social model. While the proponents of neo-liberal reform point to the *economic* superiority of the 'Anglo-Saxon' model, while ignoring its possible undesirable social and cultural consequences, the proponents of 'social Europe' do the opposite, emphasizing the *cultural* superiority of the 'social market' model.

The discourse of 'models of capitalism' has a number of implications. Firstly, it is founded on and develops the link between cultural traits and economic success discussed above in relation to 'business culture'. Secondly, it assumes that models can and should be exported from one culture to another without difficulty. This assumption, in addition to ignoring the specific historical and institutional reasons why a particular type of capitalism has evolved in a particular country (Hall and Soskice 2001), also ignores the important political factors inherent in whether a set of cultural values can be exported

from one culture to another. Schmidt (2002), for instance, has demonstrated in a comparative study of the UK, France, and Germany, how in the absence of a legitimizing political discourse which adequately reflected the cultural traditions in those countries, politicians in France and Germany in the 1990s were unsuccessful in attempting to introduce 'Anglo-Saxon' style neoliberal reforms in their countries.

The economic convergence hypothesis towards one model of capitalism also demonstrates an implicit reconceptualization of the nation state which has been examined by Habermas (2004). The nation state in its modern form, Habermas argues, has always had a need for a cultural consciousness to underpin its legitimacy:

the modern territorial state ... depends on the development of a national consciousness to provide it with the cultural substrate for a civil solidarity. With this solidarity, the bonds that have been formed between members of a concrete community on the basis of personal relationships now change into a new, more abstract form. While remaining strangers to one another, members of the same "nation" feel responsible enough for one another that they are prepared to make "sacrifices" – as in military service or the burden of redistributive taxation. (Habermas 2004: 64)

In this concept of the nation state, cultural identity is not conceived primarily as an exclusive ethnic phenomenon, but as an expression of the desire of the inhabitants for 'social state interventionism' (Habermas 2004: 65), and the nation state thus conceived of as a 'cultural substrate for a civil solidarity', the cultural basis of the attempt to protect the socially disadvantaged and redistribute wealth. This cultural ideal of the nation based on social solidarity, however, Habermas argues, has been threatened by economically-driven neo-liberal globalization: in the face of the threat of job loss in nations due to the actions of foreign firms, for instance, such 'cultural' civic solidarity often dissolves into two extremes:

On the one side, a defensive rhetoric ... arises from the state's protective function ... this defensive rhetoric invokes the political will to close the floodgates against uncontrolled waves breaking in from the outside. ... On the other side, an offensive rhetoric attacks the repressive features of the sovereign state, which consigns its citizens to the homogenizing pressure of a regulation-crazy bureaucracy, and locks them into the prison of a uniform lifestyle. Here the libertarian affect welcomes the opening of geographical and social borders as an emancipation in two senses – as a liberation of the oppressed from the normalizing violence of state regulation, and also the emancipation of the individual from compulsory assimilation to the behavioural patterns of the collective. (Habermas 2004: 80)

In the discourse of the exportation of successful 'models' of capitalism from one culture to another we see a movement from the conception of the nation state as a 'cultural substrate for social solidarity' to where it is not just defined as *actually* powerless to influence the global movement of capital and redistribute wealth, but where it is implicit

that it *should not to attempt to do so*. Nations which are deemed as still adhering to the 'old' model of the social state are portrayed, as Habermas puts it, as in need of 'emancipation'. The nation is then defined purely as a 'business location' ('Standort') and the nation state redefined as that of a 'location manager', whose role is simply to guarantee the most favourable operating conditions for business without political interference ('Standortpolitik') (Leggewie 2003, 27-28, Habermas 2004: 78-80). As a reflection of this nation states are profiled in business guides in ranking orders comparing them as locations on criteria such as low wage costs, low trade union power, low state involvement in business, and low social benefit costs (see Kotler et al. 1999).

### **The cultural discourse of the 'brand state'**

The move towards a redefinition of the nation as a business location and the state as a manager of this 'location' is exemplified in the recent rise of the 'brand state' (Van Ham 2001(a), (b)) and the related discourse of 'country branding' (Olins 1999, 2002). With respect to culture two important questions arise here: firstly, can or should a national culture be treated as a 'brand', and secondly, if it is treated as such, what is the relationship of 'culture' to the 'nation brand'?

The 'brand state' can be seen as lying at the intersection of two discourses: a supposedly 'postmodern' politics and that of marketing. In the first, the acceptance of the validity of the 'brand state' as a 'postmodern' political concept is related to a questioning of the validity and desirability of the cultural 'depth' of the nation as the principal means of understanding national identity and international politics. Van Ham, for instance, argues that

the absolute dichotomy between the purported depth, fixed and final singularity of an identity which transcends and unifies spatial and temporal difference, and the surface of ephemeral human experience is not an adequate approach to the study of European politics. (Van Ham 2001(a): 14)

Van Ham's challenge to the discourse of 'national' modernity is founded on a 'postmodern' deconstruction of the distinction between 'surface' and 'depth' in culture similar to that in Jameson's (1991) characterization of postmodernity:

Should we take it for granted that national selfhood is some kind of puzzle that has a hidden solution based on the assumption that to know the 'nation' is to know the hidden national self that lies buried deep within it? (Van Ham 2001(a): 65)

We are, according to Van Ham, no longer to regard the cultural identity of a nation as a 'deep' cultural self which is to be discovered, or conceive the nation's sovereignty as a form of 'virginity':

More often than not, sovereignty is treated as if it were equivalent to the national virginity, with the inevitable implication that losing 'it' would be decisive,

perhaps only comparable to rape. This anthropomorphism inherent in the individual/state analogy is not only questionable, because it emotionalizes the political discourse .... (Van Ham 2001(a): 91)

Conceiving national identity, not as a 'deep' self to be discovered, but as a 'brand' comprising 'the outside world's views about a particular country' (Van Ham 2001 (b): 2), views which are superficial, constantly changing and subject to manipulation as 'brand attributes', seems attractive:

Although no doubt unsettling to conservative thinkers, this is actually a positive development, since state branding is gradually supplanting nationalism. The brand state's use of its history, geography, and ethnic motifs to construct its own image is a benign campaign that lacks the deep-rooted and often antagonistic sense of national identity and uniqueness that can accompany nationalism. (Van Ham 2001 (b): 3)

Van Ham's concern that the consequence of a 'deep' concept of national identity and of national sovereignty as 'virginity' might be that the threat to national sovereignty felt by some nations as a result of globalization might result in a nationalization of political discourse is a concern shared by both Beck (2000) and Habermas (2004). Van Ham, however, does not clearly distinguish, as Habermas does, between an idea of the cultural identity of a nation understood purely as ethnic particularism, and the cultural identity of a nation as a 'cultural substrate' for social solidarity and social state interventionism. The politics of national identity need not be seen as a case of *either* antagonistic 'modern' nationalistic states *or* competing 'postmodern' brand states, as Van Ham portrays it. We can clearly see in Van Ham's position the conflation of a 'postmodern' politics with neoliberalism, which, as Habermas has argued, is prevalent in contemporary debate about the nation state:

While the postmodernists are convinced that the fading of the classical world of states and the rise of an anarchically interconnected world society make politics on a global scale impossible, neoliberals see global politics as an undesirable political framework for a deregulated world economy. For different reasons, postmodernism and neoliberalism thus ultimately share the vision of lifeworlds of individuals and small groups scattering, like discrete monads, across global, functionally coordinated networks, rather than overlapping in the course of social integration, in larger, multidimensional political entities. (Habermas 2004: 88)

Evidence of the latter scenario in Habermas's characterization can be seen in Van Ham's dismissal of the European Union's (albeit unsuccessful) attempts to limit the influx of US audio-visual products into Europe:

In many ways, Europe is therefore opposing the postmodern notion of culture as cosmopolitan, universal and timeless, in essence superficial and devoid of political, social or historical content and message. However, Europe's definition

of a rooted 'deep culture' does not travel, does not resonate even across the board *within* its very own continent ... (Van Ham 2001(a): 84)

The equation here of *any* kind of resistance to US cultural hegemony with an unacceptable nationalism and a rejection of the supposed virtues of a superficial 'cosmopolitanism' of popular culture serves not only to exclude any kind of debate about what kind 'cosmopolitanism' this is and whether this can be said to constitute genuine cosmopolitanism (Beck 2002), but, more importantly, depicts the postmodern 'brand state' as something which is *culturally* desirable in terms of overcoming nationalism. The 'brand state', therefore, is portrayed as supposedly benevolent as it reflects what nation states *must* do from the neo-liberal point of view (define themselves as brands and not social states), and what they *should* do (distance themselves from the supposed ethnic nationalism on which they have defined their cultural identities thus far).

The second main element of the discourse of 'brand states' is the relationship it postulates between marketing, politics and culture. The proponents of 'country branding' have addressed the principal criticism of the 'country brand', that it is in some sense reductive as far as the cultural depth of nations are concerned, or, as Olins puts it, is just 'a shallow substitute for more substantive political projects' (Olins 1999: 5) in various ways. The first line of argument employed is that the historical process of definition and redefinition of the cultural identity of nations is and has always been analogous to a company's creation and redefinition of its brand. In relation to France, for instance, Olins (1997) argues that the changes in national identity and their representation in French history can be seen as forms of 'rebranding'. As a result of the French Revolution, for example, Olins argues,

The first French Republic changed the flag from the Fleur de Lys to the Tricolore, introduced the Marseillaise as a new national anthem, replaced old weights and measures with the metric system and introduced a new calendar with different names for the months. Even God was replaced by the Supreme Being. You couldn't get much more radical than that. (Olins 1999:7)

France, or any other nation's redefinition of its national identity, in other words, is analogous to a company's transformation of its internal and external symbolism. The form of 'argument from analogy' employed here, however, overlooks the fact that in the case of a nation's historical transformation of its outward symbols, as in the cited case of France during the French revolution, this was done primarily for *political*, not *economic* reasons, and that, as a result, the understanding of any nation's symbolism involves an understanding of a complex interlinking of politics, history and culture which cannot be seen as simply analogous to a company's change of outward symbolism.

The second main strand of argumentation in favour of 'country branding' could be described as an argument based on 'fighting stereotypes with better stereotypes'. It has been one of the features of the Enlightenment cosmopolitan thinking which has motivated the desire for intercultural understanding between nations that overcoming the stereotypes of one nation held by the inhabitants of another is desirable. In the discourse

of 'country branding', however, the question of how nations can, through a process of enlightening others about the richness and depth of their culture, promote more subtle, differentiated or balanced images of themselves, in other words *overcome* stereotypes, has been displaced by the question of how nations can find the most economically *efficient* stereotypes with which they can 'brand' themselves.

In finding *efficient* stereotypes, marketers such as Olins argue, the lessons learned from branding companies can assist nations. In the case of countries with strong identities relating to one 'typical' product or representative company, for instance, Olins argues, there has always been a transference of strong 'efficient' stereotypes from company to nation and vice versa:

Corporate brands and the identities of nations from which they derive have always fed off each other and overlapped. For many people, Sony is Japan and Japan is Sony. Germany is cool, unemotional engineering efficiency like Mercedes Benz. Italy is stylish like MaxMara. Britain is traditional like Burberry. (Olins 1997: 13)

In some cases, Olins argues, such strong stereotypes limit the 'brand equity' of a nation if the stereotype does not correspond with an aspect of its identity which the nation now wishes to emphasize, as in the case of Brazil:

Brazil – a country associated with carnival, samba, tropical fruit, tourism, football and financial instability ... in a good year makes as many cars as Britain. So Brazil needs an image which allows its industrial potential to be treated with the same respect as its ability to give tourists a good time. (Olins 1997: 13)

Few would question the need for 'branding' or 're-branding' nations in this way if its aim was primarily, as Olins argues, to ensure that a nation such as Brazil is 'treated with respect'. But what Olins describes as 'treating with respect' here is merely a *replacement* of one set of stereotypes by another, the principal criterion for the selection of which is their *instant recognizability* of to subjects who are largely ignorant about that country and who can never be expected to overcome this ignorance. Nation branding, in other words, rests on the principle that, in the postmodern environment, the best way for nations to overcome stereotypes about themselves held by other countries is not by Enlightenment, but by *replacing them with more efficient stereotypes*.

In the case of the recent 'rebranding' campaign for Germany (Wolff Olins 1999), for instance, a country with a strong negative stereotype in the UK, largely due to the ignorance of much of the UK population, particularly young people, about aspects of recent German history and culture apart from the Third Reich (Goethe Institut/British Council 2003), Olins's 'rebranding' of the country, commissioned by a German government seemingly desperate to improve its image abroad, aimed, by the prominence it gave to celebrities such as Boris Becker and Claudia Schiffer, to make the country more instantly recognizable and 'cool' to young people, rather than to promote intercultural understanding and tackle the admittedly difficult task of enlightening those in the UK about their negative stereotypes of Germany.



As a counter to these reductive stereotypical tendencies implicit in the desire to create more instantly recognizable 'nation brands', some commentators have attempted to differentiate different meanings of 'culture' and how it can be 'sold' as part of a country brand. Anholt (2002), for instance, argues that a nation's cultural achievements, understood as its 'contribution to global culture' (Anholt 2002: 238) can be a 'unique selling point' without this necessarily being reductive:

The cultural attainments of a country ... do not 'sell' ... in the same way that inward investment, brands or tourism do. Culture is thus relegated to the status of a 'not-for-profit' activity, a kind of charitable or philanthropic obligation within the overall promotion of a country. ... Culture is self-evidently 'not for sale' – it is, to use a cynical metaphor, a 'promotional gift' that comes with the commercial nation brand. ... Culture, like geography, is an incontrovertible USP (Unique Selling Point) – it is the *direct reflection* of the country's 'one-ness' or quiddity, which product-style marketing often erases. (Anholt 2002: 238)

Anholt's example in support of this argument is Japan, where the Western consumer's 'albeit shallow knowledge of Japanese art, poetry, cuisine and philosophy ... functions as counterpoint to the commercial Japan of productivity, miniturisation, technology etc' (Anholt 2002: 238) is used to give the 'Japan brand' a different image. However within this logic Japanese art, philosophy etc. is not seen as a value *in itself*, but merely as a means to something else: to 'soften' the 'hard' aspects of the Japanese commercial brand, in this case by 'reassuring consumers that they are buying goods manufactured by real human beings not automata' (Anholt 2002: 238).

A useful critique of the analogy between national culture and a commercial brand is provided by O'Shaughnessy and O'Shaughnessy (2000), who point out that 'a nation is not a product, and the national image is very much bound up with the social concept of the nation' (56). Any attempt to reduce this to the simplicity of the 'likeability heuristic' associated with commercial products and brands will inevitably be reductive (O'Shaughnessy and O'Shaughnessy 2000: 59). In the case of countries with strong negative images abroad, such as the former Yugoslavia, in particular Serbia, which has in recent times been 'disliked' by the Western 'consumer' because of its history of recent conflicts, any attempt simply to 'rebrand' the country by ignoring these historical associations and emphasizing its 'likeable' aspects in the mind of the consumer (Hall 2002), ignores the complex cultural perceptual issues surrounding Serbia's image. These largely stemming from media coverage which leads the Western consumer to make certain stereotypical assumptions about present-day Serbia based upon its negative depiction in past images.<sup>1</sup>

The tendency to see nations as brands, it seems, stems largely from ignorance, from the fact that contemporary consumers of the global media actually know very little if anything about other nations and cultures:

With around 20 to 30 percent of the people of Western democracies being functionally illiterate, we assume much too easily that people have strong beliefs and sharp images of other nations of the world. ... This would seemingly offer an opportunity for most nations to build their own brand for projection onto the world. (O'Shaughnessy and O'Shaughnessy 2000: 58)

We seem here to be faced with two opposing definitions of what it means to 'know' a country or its culture. In one definition 'knowledge' of culture is part of an Enlightenment 'grand narrative' which assumes that if we start from a situation of ignorance and prejudice about a culture, we can or should, through a process of overcoming stereotypes, become more familiar with the depth of its culture. In the second definition, which is implicit in the discourse of country branding, 'knowing' a culture is analogous to 'knowing a brand', instantly recognizing an outward symbolism such as a logo, and being familiar with the immediate emotional resonances and associations of that symbol, as when we speak of 'knowing' Mercedes Benz or Sony. The latter definition of 'knowledge' seems to be equivalent to what Lyotard calls the 'postmodern condition', in which the principal legitimacy of claims to knowledge is determined not by the question "is it true?" but "What use is it? ... more often than not ... equivalent to: "Is it saleable?" (Lyotard 1984: 51). If we object that to 'know' German or Japanese culture is not the same kind of thing as 'knowing' Mercedes Benz or Sony, we will undoubtedly face the charge of 'elitism' or being 'anti-business', a charge which Olins (2001) levels against those who criticize the use of the word 'brand' in association with nations, accusing them of being 'so-called intellectuals (who) seem to think that business is a contemptible and boring activity with no intellectual, cultural or social content, which is solely dedicated to making profits and has no relevance to society as a whole' (Olins 2001: 246).

The 'brand state' and the related discourse of 'country branding', then, are clearly not politically neutral, but part of what Dzenovska (2005) calls an 'ontological reconfiguration' of the nation state and the associated conception of 'culture':

Using the tools of branding entails not only acknowledgement of the pervasiveness of a particular reality and the associated understanding of a particular hierarchy of nations, but also its active construction. Perhaps, most importantly, nation branding is a set of practices that aims to align the way national subjects (and thus the nation) think of and conduct themselves with the logic of the 'reality of globalisation'. (Dzenovska 2005: 176)

In other words, nation branding is not just the benevolent application of marketing tools to improve the images of nations, but part of a wider neo-liberal teleology, as Anholt implicitly seems to admit:

The driver of the new paradigm is simply globalisation: a series of regional marketplaces ... which are rapidly fusing into a single global community. ... For places to achieve the benefits which the better-run companies derive from branding, the whole edifice of statecraft needs to be jacked up and underpinned

with the learnings and techniques which commerce, over the last century and more, has acquired. (Anholt 2005: 121)

What is being advocated by the proponents of nation branding, in other words, is what Beck calls 'globalism' or 'world market metaphysics', an ideology which assumes that 'a complex construction such as a state: a society, a culture, a foreign policy should be run like a company' (Beck 2000, 27).

## **Conclusion**

We can observe the development of a teleology in the conception of culture in business literature, part of which is an 'ontological reconfiguration' of the nation state and its relationship with business. While in the early 1990s the concept of 'business culture' was seemingly motivated by an interest in cultural diversity and a desire to understand the development of the variety of national systems of capitalism, it nevertheless contained a clear prefiguration of this teleology, according to which the development of a business culture could be measured against a future culture-free ideal of an 'entrepreneurial economy'. 'Culture' is then understood in largely negative terms as the cultural predispositions which prevent certain nations and their inhabitants from progressing towards this ideal. The postulated relationship between economic success and cultural characteristics inherent in this ideology is developed further in the discourse of competing 'models of capitalism', which emerged and gained popularity during the 1990s, according to which cultures will inevitably converge towards one successful model, and elements of this model can and should be exported from one culture to another. The final stage in the development of this teleology is reached in the discourse of the 'brand state' and 'country branding', where culture is redefined as the 'unique selling point' of a country, equivalent to the most instantly recognizable and efficient stereotypes of that country. The nation state is accordingly conceptualized as having no political role other than that of a 'brand manager' whose role is merely to manipulate that nation's image as seen in the outside world.

## Notes

<sup>1</sup> The Slovenian cultural critic and philosopher Slavoj Žižek describes Western perceptions of the Balkans in general, of which the image of Serbia is paradigmatic, as a being a form of 'politically correct racism: the liberal, multiculturalist perception of the Balkans as a site of ethnic horrors and intolerance, of primitive, tribal, irrational passions, as opposed to the reasonableness of post-nation-state conflict resolution by negotiation and compromise' (Žižek 1999).

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