European Culture in a Changing World
European Culture in a Changing World: Between Nationalism and Globalism

Edited by

Daniel Meyer-Dinkgräfe
CONTENTS

Introduction .................................................................................................................. viii

SECTION 1: POLITICS AND ECONOMY

Chapter One: Nicholas Perdikis, Shari L. Boyd, William A. Kerr
Multinationals, Biotechnology, Intellectual Property Rights
and Developing Countries. Should Developing Countries
Seek to Be Exploited? ................................................................................................... 1

Chapter Two: Sylvia MacPhee
Who is an Italian: Italy’s Struggle for National Identity ............................ 11

Chapter Three: Marcela Christie
Theoretical Remarks on Civil Religion and Politics:
A Comparative Perspective ............................................................................... 22

Chapter Four: Anu Randveer and Martti Randveer
Sectoral Convergence .............................................................................................. 46

Chapter Five: Viljar Jaamu and Vello Vensel
Bank Performance and Efficiency in a Small Open Economy
on the Threshold of the European Union ....................................................... 56

SECTION 2: PHILOSOPHY

Chapter Six: Anatoly Zotov
Hermeneutics as Ontology of Contemporary Society .............................. 68

Chapter Seven: Warren Breckman
Emancipation and the Bounds of Meaning: Reading,
Representation and Politics in Young Hegelianism .................................. 75

Chapter Eight: Douglas Moggach
Republican Rigorism: Hegelian Views of Emancipation in 1848 .......... 86
Chapter Nine: Malgorzata Bogunia-Borowska
Social and Cultural Function on Advertising Transmission in Consumption Society ........................................... 96

Chapter Ten: Alexandros Kioupkiolis
Theorising the Freedom—Equality Nexus from the Standpoints of Deliberative and Agonistic Democracy ................................................................. 105

Chapter Eleven: Eric W. Ruckh
Theorizing Globalization: At the Intersection of Bataille’s Solar Economy, DeLillo’s Underworld and Hardt’s and Begri’s Empire ................................................................. 117

Chapter Twelve: Avron Kulak
Descartes and the Infinity of the Other ................................................................. 140

Chapter Thirteen: Kevin P. Spicer
Antisemitism, Nationalism, and the Commandments: Catholic Clergy in Berlin during the Third Reich. Their Experience and its Meaning for Today’s Church ................................................................. 152

SECTION 3: LITERATURE AND THE ARTS

Chapter Fourteen: Bernard Zelechow
Identity and Erasure: W. G. Sebald’s Fictions ................................................................. 164

Chapter Fifteen: Dorothy M. Betz
Anrold, Mallarmé, New Worlds to be Born and the Redefinition of Poetry ................................................................. 172

Chapter Sixteen: Robert Stanley
Spiritual Concerns in Graham Greene’s Colonial Novels, with Particular Reference to The Heart of the Matter (1948) and A Burnt-Out Case (1961) ................................................................. 178

Chapter Seventeen: Rosemary Gray
Genius loci: Mungoshi’s Waiting for the Rain and The Setting Sun and the Rolling World ................................................................. 190
Chapter Eighteen: Jean-François Thibault
*Le Tableau Qui Bouge: Art in Motion 1913-1930* ........................................... 202

Chapter Nineteen: John Danvers
St Jerome @ the Villa Grimaldi .............................................................. 213

Chapter Twenty: Ewa Macura
Posing the East: Englishness and the Dancing Body ......................... 221

Chapter Twenty One: William A. Everett
From French to European to Global: The Saga of Schoenberg and Boublil’s *Les Misérables* ................................................................. 229

Chapter Twenty Two: Armand Singer
America’s Fascination with the Western ................................................. 237

Chapter Twenty Three: Daniel Meyer-Dinkgräfe
Consciousness, Theatre and 11 September .............................................. 246

List of Contributors ................................................................................. 262

Index ........................................................................................................ 270
INTRODUCTION

In 1984, the Rockefeller Foundation invited the editors of *The European Legacy* to hold a conference in Bellagio, Italy, on the theme “Europe in a Changing World”. There, the editors of the journal decided to create the International Society for the Study of European Ideas (ISSEI). Since 1988, ISSEI has organized biannual, international conferences on an important current theme. These conferences were held as follows:

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<tr>
<th>Year</th>
<th>Location and Theme</th>
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<tr>
<td>1988</td>
<td>University of Amsterdam, The Netherlands: The Turning Points of History</td>
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<td>1990</td>
<td>Catholic University of Leuven: European Nationalism</td>
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<td>1992</td>
<td>University of Aalborg, Denmark: European Integration and the European Mind</td>
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<td>1994</td>
<td>University of Graz, Austria: The European Legacy: Towards a New Paradigm</td>
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<td>1996</td>
<td>University of Humanist Studies, Utrecht, The Netherlands: Memory, History and Critique: European Identity at the Millennium</td>
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<td>1998</td>
<td>University of Haifa, Israel: Twentieth Century European Narratives: Tradition and Innovation</td>
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Attendance at these conferences has ranged from 300 to 1500 participants, from countries all over the world. The Society seeks to establish contact with leading cultural societies in Europe, the US, Canada, Australia, Japan, etc. devoted to the study of specific periods and movements in European cultural history. Membership in the Society is open to any individual expressing an interest in the ideas and aims of ISSEI. All individual subscribers to *The European Legacy* automatically become members of the Society.

**ISSEI 2002 Conference**

The University of Wales, Aberystwyth, hosted the 2002 conference on the topic *European Culture in a Changing World: Between Nationalism and Globalism*. In the call for papers and the conference brochure, Ezra Talmore, founder of ISSEI, described the topic thus:

To deal with European Culture in a Changing World is to deal, in fact, with the reciprocal relation between Politics and Economics on the one hand, and Culture on the other. In an era when economic forces are pushing towards European Economic Unity or towards the Globalisation of National Markets it is rather difficult to demarcate the role of Culture. While the European Narrative may have been written by Monnet, De Gaulle, and Adenauer, the Global Narrative is written by an unknown author or rather by Adam Smith’s Invisible Hand.

On the one hand the postmodernist claim that the Grand Narrative is dead is given the lie. A Grand Narrative is now being written not by Philosophers but by Managers of Multinationals. The Foucauldian “ça parle” (it speaks) is instantiated by the anonymous authors of the Global Narrative. The question to be asked is: What will happen to the rich mosaic of National European Cultures? The answer to this question is not only a matter of National Memory and National Identity, it is also a matter of the sources of cultural creativity. L’Europe de nations may have been the theatre of endless national wars but it was also the cradle of a very rich mosaic of national cultures. The point is: how will creative genius adapt to the two new trends – European Unification and Globalism?

The conference in Aberystwyth, following the patterns of its predecessors, was multi-disciplinary, and addressed the central topic, *European Culture in a Changing World: Between Nationalism and Globalism*, in the following sections: I. History, Geography, Science; II. Economics, Politics, Law; III. Education, Women’s Studies, Sociology; IV. Art, Theatre, Literature, Religion, Culture; V. Language, Philosophy, Psychology.
Towards the end of the conference Cambridge Scholars Press approached the local team in Aberystwyth. Dr Daniel Meyer-Dinkgräfe (academic organisation) and Dr Julie Finch (administrative organisation), indicating their interest in publishing a selection of the proceedings. This book is the result, offering a representative selection of papers presented at the conference.

The papers collected in this book

The first three chapters in this collection deal with different aspects of politics in Europe. In *Multinationals, Biotechnology, Intellectual Property Rights and Developing Countries. Should Developing Countries Seek to be Exploited?* Nicholas Perdikis, Shari L Boyd and William A Kerr examine the relationship between developing countries’ implementation and enforcement of intellectual property rights and the level of investment made by biotechnology firms for research and development into crops that would benefit these countries. Sylvia MacPhee asks *Who is an Italian?* She argues that Italy is a relatively young country, for Europe-only 141 years old. From its earliest days as a nation, and to this day, an expression often heard from its citizens is: “Italy was made, but the Italian is not yet made.” Its implication is that those living within its borders do not share an Italian identity, and are not united “as Italians.” Instead, historically, the primary identification has been to one’s region and, there are 20 of them. Why this continues to be so today is the focus of MacPhee’s essay. She explores those factors that impede, and those that foster, Italy’s move away from regionalism to nationalism. At the center of Marcela Cristi essay, *Theoretical Remarks on Civil Religion and Politics: A Comparative Perspective*, is the notion of civil religion. This concept has been of interest to social thinkers throughout the history of Western political thought. In a broad sense it deals with the issues of legitimacy and good citizenship. Cristi offers a critique of the notion as used by most scholars interested in this topic. By contrasting Rousseau, Durkheim’s and Bellah’s ideas on this issue, Cristi addresses the limitations of the Durkheim/Bellah model. She argues that civil religion can exist not only as a cohesive, spontaneous force in society, but also as a consciously planned and state-controlled political phenomenon. If this is the case, Bellah’s oversimplified evolutionary scheme model of civil religion is also challenged. In the conclusion, Cristi raises the need to reinterpret the civil religion thesis.
The remaining two essays in the first section relate to different aspects of the impact of political change, broadly speaking from pre-Soviet Union communism to post-Soviet Union capitalism, on the economy of one of the Baltic States, Estonia. The primary aim of the contribution by Anu Randveer and Martti Randveer (Sectoral Convergence) is to establish a basis for long-term forecasts of structural changes in Estonian economy. The results of this study indicate that the long-term effect of the membership in the European Union on the economic structure of Estonia will depend primarily on its effect on income level convergence in Estonia and current member states. The greater the positive effect of the EU on output growth in Estonia, the greater its effect on changes in the Estonian economic structure. In their paper Bank Performance and Efficiency in a Small Open Economy on the Threshold of the European Union, Viljar Jaamu and Vello Vensel provide an insight into details of the challenges a country’s banking system faces in the change of post SU economy.

The second section of the book assembles nine papers broadly related to philosophy and its various attempts to shed light on the conference topic, European Culture in a Changing World: Between Nationalism and Globalism. Anatoly Zotov argues that the concept of traditional philosophy more or less adequate to describe, and make sense of, human individuals under the conditions of the information-oriented society is the concept of hermeneutics, predominantly as used in the works of Deleuze, Barthes, and to some extent Foucault. Warren Breckman and Douglas Moggach address different aspects of Young Hegelianism. We are accustomed, Breckman maintains, to regarding the Young Hegelians as the radical heirs of Hegel’s opposition to Romanticism and the Romantic taste for the ineffable, unmasterable, and mysterious. And indeed, figures like Heinrich Heine, Arnold Ruge, Theodor Echtermeyer, and Theodor Vischer perpetuated the conflict between Romanticism and Hegelianism well into the mid-nineteenth century. Yet the conflict persisted in a different and subtler form within Young Hegelianism itself. This is, Breckman sets out to demonstrate, evident in the divergent tracks taken by Bruno Bauer and Ludwig Feuerbach. Bauer’s position is at the focus of Moggach’s contribution. He introduces the concept of republican rigorism to clarify some confusion in identifying Bauer’s political position. Moggach defines republican rigorism as a rigorous form of republicanism that demands that subjects eliminate all types of heteronomous influences, internal as well as external. It requires, besides negative freedom, a positive self-transformation, while admitting degrees of stringency. While such a position deviates from the Kantian tradition and Hegel’s own treatment of the subject in the Philosophy of Right, it is at least consistent with a certain reading of Hegel.
on history, which is decisive for Bauer’s account. This argument is not intended to exonerate Bauer’s judgement on the Jewish question. It is an exercise in retrieval of a specifically Hegelian republicanism. While Bauer’s most extreme positions may not be an inevitable consequence of his republicanism, which contains other options, neither do they constitute a radical departure from it.

**Malgorzata Bogunia-Borowska** applies the theory of general social knowledge, defined as that set of information essential for an individual to be able to function in a certain social and cultural reality, to analyse social and cultural functions of advertising transmission in consumption society. **Alexandros Kioupkiolis** addresses issues pertaining to the relationship between freedom and equality. He argues that such issues are central to the projects of radical democracy, if these projects are about pursuing and extending both freedom and equality in democratic societies. In this essay he picks up on certain themes related to the way the promotion of freedom and equality is conceptualised in the Habermasian and Rawlsian models of deliberative democracy and in models of agonistic democracy. Thinking through the ways these theories approach the relationship between freedom and equality may enhance our understanding and enable us to conceive their relationship in a manner more conducive to the concurrent furthering of these two fundamental democratic principles.

**Eric W. Ruckh** suggests that globalisation, most broadly and generally, constitutes an effort to reorganize the flows of energy, resources, wealth and information across the globe. It is radically transforming the ways we produce, consume and expend. The phenomenon of globalisation has curiously contradictory features. It seems to be an effort to establish new global hierarchies: to concentrate wealth, resources, energy and information in a few spots (the United States, certain countries of the European Union, Japan). But, at the same time, it tends to establish networks or flows of wealth, resources, energy and information that no local or even national government seems capable of controlling: in this way, globalisation acts as a leveller. Working in another register, globalisation seems to display a homogenizing force: wiping away the distinguishing characteristics of diverse national cultures and languages, imposing a monoculture. Yet, globalisation produces ferocious efforts at all levels to create distinct and differing identities; in this way, globalisation incites differentiation. How are these contradictions and paradoxes to be worked out? Are they really contradictions and paradoxes, or, rather, do they sustain each other in some systematic manner? In his essay, Ruckh brings together the work of Georges Bataille, Don DeLillo, Michael Hardt and Antonio Negri—allowing them to complement and
contradict each other—to help us understand these issues and seeming contradictions. 

*Avron Kulak* undertakes to examine Descartes’ explicitly biblical conception of the subject as created in the image of God. He argues that, for Descartes, a critical concept of the subject involves the circle of reciprocity constituted by God, self, and other, rather than the abstract self-identity of the thinking “I.” For, as Descartes shows, both in the *Discourse on Method* and in *Meditations on First Philosophy*, the most fundamental concept of the subject is the infinity, or necessary existence, of the other. The second section closes with *Kevin P. Spicer’s* study of antisemitism, nationalism, and the Commandments: Spicer presents his research into Catholic clergy in Berlin during the Third Reich, their experience and its meaning for today’s church.

The third section of the book broadly deals with the conference topic, *European Culture in a Changing World: Between Nationalism and Globalism*, from the perspectives of literature and the arts. *Bernard Zelechow* reassesses W.G Sebald’s novels against the concepts of identity and erasure. He concludes that Sebald recognizes that we are social and historical constructions in relation with others. And that for a German born in the dying days of W.W.2 and growing up in a culture of silence and erasure, self-discovery requires the reconstruction of a destroyed and erased culture. *Dorothy M. Bet’s* paper, presented in the workshop/panel on *A New Europe: Redefinitions for Literature and the Arts*, discusses the urge of poets such as Matthew Arnold and Stéphane Mallarmée to reach beyond the everyday; Mallarmée thus posited a superior poetry, in fact the ultimate Poem, as growing out of a need to express the Absolute. Looking at the present and the future: Betz concludes that the lengthy triumph of popular music that reinvents itself yearly has created a new public, a new scene if you will, where the poetic act must be performed. This is a public with very little memory, a public we see constantly in our classes. In the early twentieth century, French speakers of all ages sang together traditional songs from “En passant par la Lorraine” to “Chevaliers de la Table ronde.” Now our students seem as unaware of them as they are of Boileau’s poetic precepts. But the poetic impulse is not dead. It will burst forth in the emotional immediacy of country music where no initiation is needed to understand “don't make my brown eyes blue.” But for those who treasure the written text we will still be, for a while, gleaning among the chaff after the great harvest of the nineteenth century. To this extent we are still Arnold, and new poetic expression remains unformed.
Robert Stanley finds that Graham Greene is an excellent writer to study when one is concerned with the colonial (or post-colonial) novel. He knew the British colonial system well, particularly in West Africa, and incorporated it into The Neon of the Matter (1948), while A Burnt-Out Case (1961) is set in the Belgian Congo, where the presence of the order of missionary priests is the main frame of reference for the protagonist and the action of the novel. He knew the colonial system in all its flaws and inequities. But Graham Greene, interested as he was in politics, was not “merely” a political writer. He frequently, indeed, virtually always deals with man’s condition, both physical and spiritual. Stanley proceeds to analyse spiritual concerns in Graham Greene’s colonial novels, with particular reference to The Heart of the Matter (1948) and A Burnt-Out Case (1961).

Rosemary Gray points to similarities between the conference theme, European Culture in a Changing World, to the current situation in Zimbabwe as reflected in that country’s literature. Dieter Riemenschneider identifies alienation and the guerrilla war as two of the three central thematic concerns in Zimbabwean writing, and further argues that another “...theme is not only characteristic of Zimbabwean short fiction, but of postcolonial writing generally; that is, the conflict between traditional and modern forces, views and beliefs” (1989,403). Gray analyses the work of Charles Mungoshi, arguing that Mungoshi’s vision is more one of cosmic fracture than binary opposition. It is a vision that penetrates deeply within—for the spirit that is wiser than the conscious self. Furthermore, Mungoshi’s themes are not limited to the three identified by Riemenschneider. Treating a wide range of themes such as autism, the generation gap, and gender roles (‘Shadows on the Wall’), violence and disability (‘Who will Stop the Dark’ and ‘The Mount of Moriah’), a parodic treatment of wealth and biblical sacrifice, (‘The Mount of Moriah’), traditional medicine, education (in ‘The Mountain’ and the novel, Waiting for the Rain [1975]), wanton slaughter and profligacy (‘The Crow’), the Adamastor myth (‘The Mountain’),betrayal and retribution (‘The Flood’) and sterility (‘The Day the Bread Van Didn't Come’) inter alia, Mungoshi captures the essence of “a place where all certainty falls away and uncertainty becomes a kind of cocoon” (Hurley, 1994) as he explores the complex dichotomies between old and new.

With Jean-François Thibault’s essay, we move from literature to fine arts, to the experiments of Leopold Survage and Archipenko with Art in Motion, Thibault concludes that in many ways, these two innovators find their true heirs in the kinetic art of today, represented by Soto, Mack, Le Pare, Sobrino, Morellet, Schoeffer, Bury, Takis, Tinguely and others, with its emphasis on light, its applications to video or computer art (fractals,
aleatory art). One can say that these experiments fell victim to the cyclical recuperations of avant-garde art by predominantly psychological or ideological later artistic tendencies such as Surrealism, in which artistic and mental processes are studied and utilized to the detriment of purely formal concerns. To this day, the question that remains is that of the inevitable antinomy of the psychological in art with a cosmic or mystic vision. *John Danvers* provides a meditation on linguistic discourses and translation, and on two images: one, the painting ascribed to Antonella da Messina, *St Jerome in his Study* (National Gallery); and the other a photograph of a room in the Villa Grimaldi on the outskirts of Santiago, Chile—a room in which the DINA, the Chilean secret police set up by Pinochet, tried to extract information and “confessions” from opponents of the military regime, by whatever means they could (Magnum photos, Guardian Weekend, 4 May 2002).

_Ewa Macura_ leads the discourse on to dance. Her paper discusses the poem *Carmencita (An Impression)* published on 27 April 1895 in the *Punch*, flavoured with a drawing of a haughty and blithe female dancer. In an ample skirt that tightens at the waist to reveal her shapely figure of a low-necked bodice, with her arms akimbo, her head raised sideways flirtatiously, Carmencita poses the East. She can do so as she knows how to dance. The know-how is innate for she knows only because she is the East. The drawing renders expert dancing and the East, inextricably polarizing them with the West, which is represented in the poem through the figure of a ludicrous and unskilful dancer. Clearly an allusion to Kipling’s *The Ballad of East and West*, the poem hinges on cultural difference to bemoan a national inability: dancers in London cannot dance. The shortcoming becomes more conspicuous as the West gets no visual rendition: the West is not posing, or else, nobody poses the West. Macura concludes that to *have* Carmencita pose is to pose her and impose upon her. Posing Carmencita, the East, and woman, then, the West betrays its own pose, that of the transitive and intransitive poser; the former manipulates and fashions the Other at discretion; the latter resorts to pretence, a meiotic masquerade, to create its own image and fictions.

_William A. Everett_ takes us to the art form of the musical. Everett discusses the worldwide success of *Les Misérables*, pointing out that this worldwide event known as *Les Mis* has its roots firmly in French musical history: The work is a late twentieth-century version of French Grand Opera, a specific form of nineteenth-century opera. He concludes that the saga of *Les Misérables*, therefore, offers an intriguing case study of the simultaneous positioning and intersecting of the national, the European, and the global. The musical’s French origins and its European translations
along with its worldwide productions offer an example of how a work can maintain its national associations in a global context.

Armand Singer discusses America’s fascination with the Western (novel and movie), arguing, within the context of the conference theme, European Culture in a Changing World: Between Nationalism and Globalism, that Regional literature and culture will survive no matter how bland and placeless the global world against which they compete. He contends place is paramount. We come into this World enjoying almost none of it. A big part of our activities from then on is to get more and more of it before we wind up where we began. Since no genre in American culture is so basically connected with a sense of place as the Western, he is certain its future is secure.

Daniel Meyer-Dinkgräfe, finally, the conference organiser and editor of this collection, contributes an argument linking theatre (its existing and future potential) to the issues of post 11-September terrorism and violence. Placing terrorism within the context of current consciousness studies, he proposes new possibilities of allocating a redemptive function to the arts in general, exemplified here in the context of theatre.
Introduction

Developing countries have often been characterized as those whose populations have very low incomes per head. The World Bank has calculated that approximately 1.2 billion people are living on less than $1 a day (World Bank 2001). Lack of an adequate income or access to one has been suggested as a prime cause of famine rather than simply a lack of food production (Sen 1999). Notwithstanding these demand side conditions, supply side factors also play a role. In particular drought, pestilence and diseases amongst animals and crops take their toll.

Farmers in developing countries are, therefore, under intense pressure to meet the dietary needs of current populations. They will be strained further as populations continue to expand. Although controversial, innovations arising from biotechnology may have the potential to alleviate food scarcity and allow developing countries to produce sufficient, nutrient-rich food to feed their growing populations. Developing countries will only benefit from biotechnology, however, if the research and development that result in new innovations continue to attract investment. The harsh reality is that those with the financial resources required for the investments associated with biotechnology research are the multinational companies of the developed world. These firms are, however, often vilified as evil capitalists that prey on the poor and vulnerable in the developing world.
Multilateral agri-food companies are, in fact, in a position to do just that—exploit the developing world. Agri-food multinationals in developed countries, particularly the United States, control the research agenda, investment and distribution of the products they are developing using biotechnology. However, it seems that while the opportunity exists for profit-motivated multinational biotechnology companies to capture significant returns in developing countries, it does not appear to be taking place. This paper will examine the relationship between developing countries’ implementation and enforcement of intellectual property rights and the level of investment made by biotechnology firms for research and development into crops that would benefit these countries.

Patent Theory

As a means of ensuring that innovation will continue, patents have existed for five hundred years. Patents give the inventor a temporary monopoly so that expensive R & D (Research and Development) costs can be recouped and, in return, makes their acquired knowledge available to the public. This “give and take” process offers incentives for investing in R & D in order to develop new products and processes. Without the incentive of monopoly rents, the level of innovation would fall and society would be worse off without the new inventions.

While the reasoning behind granting patents and, thus, giving companies temporary monopolies is quite straightforward—new innovations in exchange for exclusive rights—it receives much scrutiny. Controversy arises due to the nature of monopoly pricing. A monopoly will produce at a sub-optimal level for the corresponding demand for the product, resulting in higher prices. The lower volume of sales coupled with an increase in price allows the monopoly an opportunity to improve its financial position relative to one where it faces competition. The granting of monopoly rights does not, however, guarantee a firm will make a profit—many innovations fail.

Granting a firm a temporary monopoly over their innovation produces a benefit because society gains from new innovations. As patents also have a stipulation that once a firm is granted exclusive rights they must disclose all information relevant to the innovation to the public, this information can then become the building blocks for new inventions.
Many ideas have been put forward as to how the benefits of granting patents could be attained without assigning monopoly rights. The search for a “win-win” situation for society whereby it benefits from the inventions but does not incur the higher prices, however, has proved illusive. The alternatives to the temporary granting of monopoly rights that are most commonly suggested are; (1) not granting patent protection to innovating firms, thereby leaving a competitive industry, (2) regulating the monopoly so profits are reduced, or implementing average cost pricing for the industry and (3) guaranteeing normal rates of return through subsidization. The arguments for each alternative are discussed below.

No Patent Protection

Intuitively, not granting patent protection seems like the obvious answer to eliminating the monopoly distortion. The consequences are, however, that society will no longer benefit from innovation. The reason patents are granted is to provide the stimulus for a positive level of R & D to bring forth a stream of new discoveries. What would happen if patent protection were no longer given to innovators? As shown in Figure 1, the innovating firm would incur average costs of production that would include the costs associated with R & D. To make normal profit (meaning it recouped its investment), the firm would have to receive price P1 from the market. While this alternative seems superior to giving monopoly rights, the problem arises when other firms enter into the industry (assume since no temporary monopoly has been granted, the industry is now competitive and there are no other barriers to entering or exiting the market). In Figure 1, a new firm can enter the industry but does not have to incur the costs of R & D—it can simply copy the investing firm’s product because there is no patent protection limiting this practice. In the case of biotechnology innovations, copying the technology (via reverse engineering) is usually much less costly than undertaking the original R & D (Gaisford et al. 2001). Since the “copycat” firm is able to use the technology and operate with lower average costs, they are able to charge a lower price, P2, in the market and still make normal profits. Eventually, the innovating firm is driven from the market because the copycat firm (or firms) charges a lower price and will, therefore, attract all the customers through its ability to price more competitively. As a result a “catch twenty-two” situation
arises whereby everyone wants to be the copycat, however, without an innovator there is nothing to copy. The long-term consequence of this situation is a decline in innovating activity that slows technological progress.

**Figure 1** Competitive Industry with No Patent Protection

### Innovating Firm

### Copycat Firm

- **AC (including innovation cost)**
- **AC (without innovation cost)**

Regulating the Monopoly or Subsidization

An alternative to granting patent protection without giving a company a complete monopoly is to regulate the monopoly. The logic behind this alternative is that patents provide protection from copycats, but society does not incur the higher monopoly prices. This approach also appeals because the level of R & D will not decrease and society will still benefit from the new inventions. While this seems like a mutually beneficial option for innovators and society, other factors need to be considered.

As illustrated in Figure 2, regulating the monopoly would involve setting the price where the average cost curve intersects the demand curve (point r). At this point the monopoly is making normal profits and will continue to innovate. The problem arises in determining where point r lies.
For some industries it is relatively easy to estimate what a firm’s average costs are. This is an extremely difficult problem, however, in the case of innovating firms, including biotechnology innovators. The process of invention is not linear or deterministic (i.e. making an investment in research at one point in time does not guarantee that a successful innovation will emerge). The determination of average costs not only has to factor in the R & D costs for the inventions that are marketable, but also all the costs associated with failed projects—which may be very high in the biotechnology industry. Hence, it is not possible to simply calculate R & D expenditures for one innovation when determining average cost. Firms that make investments must have the expectation that, on average, they will have a “winning” innovation sufficiently often to offset all the losses on “failed” innovations. Of course, this means that the “profits” on any “winning” innovation, taken in isolation, are likely to appear very large. The observation of apparently high profits considerably vexes those who worry about the cost of innovations to poor farmers or those with limited incomes who require pharmaceuticals.

Further, under average cost pricing, firms that now have their profits guaranteed by the regulator have considerable incentive to cheat. By making average costs appear higher than they actually are, the firm can make substantial economic profits because the guaranteed price, based on the inflated average cost, exceeds the average costs. The result is similar to the unregulated monopoly case. In other regulated industries
with costs that are far more standardized than those associated with innovation, firms have been able to hide true costs and excessive profits from their regulators with relative ease (Kwaczek and Kerr 1989). Approaching the problem of appropriate costs from the enforcement angle, the issue becomes how to determine how much R & D for biotechnological innovations should cost.

In addition, for regulated firms, it is important to consider the affect on firms’ incentives to be efficient. The current patent system internalizes the efficiency issue into each firm’s management decisions. Being inefficient means a reduction in profits. The firm’s management (or owners) have an incentive to constantly monitor performance and strive for improvement. However, if profits are regulated and guaranteed, the monopoly’s efficiency would not enter into management decisions. Firms know they will make normal profits regardless of what their costs are and have no reason to make adjustments to reduce these costs. Efficiency also comes into play in considering which projects and investments to undertake. Again, if firms are assured normal profits they may engage in unprofitable projects and participate in R & D for unnecessary inventions. As in the case where monopoly rights are not granted, society is again made worse off because firms now are likely to be inefficient and prone to carry out R & D simply because they are assured normal profits. Directly subsidizing innovation by private firms is fraught with the same difficulties regarding monitoring costs and the design of incentives as attempting to regulate monopoly profits. Hence, while the inefficiencies inherent in the patent system are well known, no socially superior alternative has yet been devised.

Effect on Research and Development for Agricultural Biotechnology

The rate at which the agricultural biotechnology sector develops is directly (although not deterministically) related to the level of research and development within the industry. Additional R & D inevitably results in more successful innovations. Investment in the R & D for crops that would benefit developing countries (mainly tropical crops) is already inadequate to reach the potential the industry has to offer developing countries. The lack of intellectual property protection within developing countries is to blame. The U.S. Trade Commission claims that the U.S. biotechnology industry experiences losses of 100 to 300 million dollars per year because IPRs are not respected in developing countries (Africa-
Europe Faith and Justice Network 2002). Since a majority of the multinational biotechnology firms are headquartered in the U.S., these forgone profits affect the investment decisions facing firms that strive to maximize profits. As a result developing countries see fewer innovations that could address their most pressing agricultural problems.

Investment into research and development for agricultural biotechnology is an important factor enabling new innovations to be developed. However, corporations do not invest millions of dollars without the possibility of being able to recoup the R & D costs. A statement released by Aventis Pharma sums up the relationships affecting the development of new innovations, “No protection, no risk taking, no investment, no innovation. Quite frankly, it’s that simple.”

For developing countries it appears that this sequence of events is maybe taking place. Agri-business biotechnology firms seem to focus much of their investment dollars towards R & D into the crops of the developed world. According to Pardey et al. (2001, 13):

Corporations concentrate their research efforts on crops such as hybrid corn, soybean, canola, cotton, and some specialty horticultural products, which are grown for markets with high commercial value.

Each of the mentioned crops is important for temperate climates, but is of little use for largely tropical developing countries. Furthermore, not one staple of developing countries is mentioned in the list of crops that receive the highest level of investment, and therefore, research. Pardey et al. (2001, 13) continue:

The development of a vast number of crops critical to food security throughout the developing world (such as cassava, yams, sweet potatoes, sorghum and millet) must continue to rely on public and non-profit institutions as the principal source of genetic innovation.

All the factors seem to be in place for agricultural biotechnology companies to make substantial profits in developing countries. There is a definite need for innovations as they could help alleviate starvation common to many developing countries, the potential market accounts for 75 percent of the world’s population and the importance of the agricultural sector within many developing countries creates an environment that should attract substantial investment. The link in the
sequence (protection, then risk taking, followed by investment, resulting in innovation) that is missing is strong intellectual property protection. The U.S. Secretary of Agriculture warned:

Effective, science-based laws and regulations are still needed in many developing countries so field trials of products of particular interest to developing countries—such as cassava and sweet potatoes—can begin.4

The key to this statement is “can begin,” meaning that the technology is developed but corporations are not prepared to begin field trials until they can be assured their innovations will be protected. Hence, multinational biotechnology corporations seem to be holding back the development of crops important for developing countries because they feel that many developing countries’ laws and regulations are insufficient to safeguard their innovations from piracy. As a result of weak IPRs, it appears that multinationals are under-investing in crops suitable for tropical climates by holding back the complete development of such crops or continuing to focus investment for commercially valuable crops suited for developed countries. The current under-investment has long-term implications for developing countries, possibly leading to forgone innovations that could help to alleviate future starvation and nutrition deficiencies.

Conclusions

While not risk-free, biotechnology holds the best promise to overcome the food, nutrition, environmental and possibly the human health constraints faced by developing countries. There is, however, a considerable danger that it will represent an opportunity foregone. The key lies in the willingness of developing countries to protect the intellectual property of those firms engaged in R & D in biotechnology.

Developing countries tend to focus on the costs imposed on their markets by the ability of patentees to extract monopoly rents rather than on the benefits of innovation. This focus on the monopoly aspects of intellectual property protection biases public policy against the protection of intellectual property. While an attempt was made to have intellectual property protection in developing countries strengthened by having it included in the WTO, the TRIPS does not appear to be sufficiently well designed to induce developing countries to protect
intellectual property. As a result, it seems that developed countries have been unable to “push” developing countries into protecting intellectual property.

Developing countries need to change their focus from concerns with monopoly “exploitation” to the dangers of forgone opportunities. The need for a change in orientation is most pressing in the case of biotechnology, in part because the technology holds so much promise for developing countries and in part because of the geographic specificity of crops. While developing countries will still reap some positive benefits from research into pharmaceuticals or computer technology due to its universality, in the case of crops there will be no benefits unless research is undertaken into tropical crops and into the specific agronomic, nutritional and human health problems of developing countries.

Thus the real question is not how to prevent multinational biotechnology firms from exploiting developing countries but rather, how to induce them to want to exploit developing countries. Multinationals lining up to extract monopoly rents from developing countries would be the surest sign that investments in the desired innovations are taking place. Unless developing countries or aid givers are willing to subsidize biotechnology research tailored to developing countries, and there is no evidence to suggest they will, the investments will simply not take place. The key lies in developing countries’ willingness to extend and enforce intellectual property rights in biotechnology. While biotechnology remains a controversial technology, few would deny it holds tremendous promise. Thus, it would be wiser to allow the technology to be exploited to the fullest and then deal with any risks on a case-by-case basis. The possibility of not licensing a technology is part of the everyday business risk of biotechnology firms. The absence of protection for intellectual property cannot be overcome through the use of private risk management techniques and requires a strong public sector commitment.

Notes

1. Of course innovation will not cease altogether as some innovation takes place simply due to the challenge it presents to individuals and by accident.
2. Remembering that in economics models average cost includes among its costs a normal return on investment. It is the cost to the firm of keeping investment resources from moving out of the firm to, other, higher return uses.


Bibliography


CHAPTER TWO

SYLVIA MACPHEE

WHO IS AN ITALIAN: ITALY’S STRUGGLE FOR NATIONAL IDENTITY

Italy is a relatively young country, for Europe—only 141 years old. From its earliest days as a nation, and to this day, an expression often heard from its citizens is: “Italy was made, but the Italian is not yet made.” Its implication is that those living within its borders do not share an Italian identity, and are not united “as Italians.” Instead, historically, the primary identification has been to one’s region and, there are 20 of them. Why this continues to be so today is the focus of this paper. I will explore those factors that impede, and those that foster, Italy’s move away from regionalism to nationalism. There is considerable debate as to whether the underlying cultural markers discussed in this paper are uniquely Italian ethnic traits, or whether they are more accurately described as a world view that transcends ethnicity, produced by socio-economic conditions derived, in large part, from a people’s historical relationship to the land. I will explain why I believe that even in a post-modern world, remnants of a land-based consciousness continue to be found not only among Italians, but also among ethnic groups throughout the world. And finally, does it matter? Does it matter that Italians do not see themselves as nationalists?

On a personal level, the topic, who is an Italian, matters to me because I was raised in a household by parents who were naturalized citizens of the United States; their primary identification was that of their region of birth, the hill towns of Tuscany. Their identification as Italians was secondary, and as Americans third. Non-Italians viewed them as Italians; Italians viewed them as Tuscans. Conversations in my home, when discussing Italian matters, would occasionally turn to regional distinctions—were you talking about those who were from Lombardy, Sicily, Naples, Calabria, or from some other region. Critical comments but grudging respect could be detected for the French, Swiss, and
Germans who bordered the regions to the north; also detectable was a quiet sense of being superior toward those who came from regions to the south. The implicit message transmitted was that Italians could be grouped into different kinds of Italians, based on distinct regionally based cultural traits. Luckily, I thought then, as a youngster growing up in a predominantly anglo town, we were Italian from “one of the good regions.”

My more professional, and less biased, interest in the politics of identity began in the ’70s when I worked for a research agency funded by the United States Government Office of Economic Opportunity. Its function was to select and fund low-income, working class communities who would be granted the authority to direct their own economic development, and destiny. To be selected for funding, communities had to demonstrate that their residents shared a sense of common identity; could work cooperatively to achieve agreed upon goals and solve common problems; could make use of outside resources, and had the ability to mobilize in an organized way. When an urban Italian-American community was proposed for funding, one federal official said: “No way—everyone knows Italians can’t organize themselves. They are all anarchists.” As a consequence, I was given the task of writing a paper to respond to the question—to what extent could an Italian-American community use its own social resources for economic development. As expected, when researching the culture of Italian-Americans, the literature took me back to Italy to find its roots. The four themes that continually surfaced in the literature of the 1960s and 70s are the same cultural markers I found as I prepared for this paper when searching for those facts that impeded the movement toward an Italian national identity. They are Campanilismo, Amoral Familism, Omerta, and distrust of government, or one could almost say, a spirit of anarchy.

The first marker, campanilismo, refers to the Italians’ reluctance to extend social, cultural and economic contacts beyond points from which the church or village bell can be heard (Blitz 1999). For the Italian, the stranger is one who is different in dialect, customs, and style of cooking, even if that someone is from a neighboring region of Italy. It implies that even in today’s postmodern, cyberspace world, prejudicial attitudes continue to exist among Italians based on lingering regional identities.

Edward Banfield coined the second, amoral familism, in 1958 in his controversial book, *The Moral Basis of a Backward Society*. It means that life is organized around the family; and more specifically, it means