

Research Articles

The Influences of Fashion as a Soft Power Towards France's Economic Growth

Riris Parada Elisa Frans¹

Department of International Relations

UPN "Veteran" Jawa Timur

ririririsparada@gmail.com,

Maria Indira Aryani²

Department of International Relations

UPN "Veteran" Jawa Timur

maria_indira.hi@upnjatim.ac.id

Abstract

As time changes, there are various ways to achieve national interests. The focus to gain is no longer only on coercion through military force or economic threat but also could be reached through perspective, culture, or ideology or also known as soft power. France is widely recognized as one of the fashions and luxury country. Indeed, fashion is a part of France's social and cultural life. The industry of fashion is dominated in France. By this common knowledge, the author starts the research with aims to show the success of France by using fashion as an instrument of soft power and the contribution of the fashion industry towards the country's economy, specifically economic growth. The author provides an overview of the concepts of soft power and economic growth in this paper, and fashion as a culture in France. The author also includes data as reinforcement of this paper. Therefore, it is easier for readers to get information about soft power, economic growth, fashion, and the relations between those three.

Keywords: fashion, France, soft-power, economic growth

I. Introduction

According to the Oxford dictionary, Fashion is a popular style of clothes, accessories, hair, at a particular time or place. Fashion is defined as "the cultural constructions of the embodied identity" (Steele, 1997). That means it encompasses all forms of fashion, either it is elite fashion or everyday fashion, such as street style or self-fashioning. Fashion comes and goes, but fashion has always been relevant; it is an essential part of human life. There are fashions in furniture, automobiles, and other objects, as well as in clothing. However, more considerable attention is paid to sartorial fashion, probably because clothing has such an intimate relationship with the physical body, and by extensions, the personal identity of the individual. Fashion become one of the most critical things in the world (Steele, 2005). People have a different attitude towards fashion, but that is how people define themselves and others.

Fashion has a long history in France. Since the seventeenth century, Paris was the capital of Europe fashion and still known as a fashion capital country. The French original fashion icon, King Louis XIV, or "Sun King," had a particularly lavish taste from the way that he dressed (Goodman, 2012). King Louis XIV recognizes the importance of luxury goods to the national economy and brought numbers of artistic industries. For centuries to come, the highest quality fabric can be found in France (Bergin, 2018). The spread of democracy and the rise of industrialization in the nineteenth century made fashion became more and more popular. The high mass production and the top fashion brand (*haute couture*) had evolved in France. Indeed, the fashion industry is dominated by Paris. As mentioned by Arnold (2009), fashion is not merely about clothes, style, nor just a collection of images. It is a vibrant sort of visual and material culture that plays an essential role in social and cultural life. It is also a significant economic force, amongst some countries. Fashion is a part of social and cultural life in France and is essential to France's financial aspect.

¹ The author is an undergraduate Student at the UPN "Veteran" Jawa Timur.

² The author is an assistant professor at the UPN "Veteran" Jawa Timur.

Fashion has become one of the sources of power for France's economy. Fashion and luxury goods are French areas of excellence and international success. It has become a strength for France to obtain economic profits and economic growth. Economic growth could be interpreted as a process of changing the country's economic condition within a specified period to better economic conditions. Economic growth is identical to the increase in production capacity, which is realized through an increase in national income. In international relations, the actors, especially the state, need the power that can be used to influence others for achieving their interests. There are two ways to gain power, which are hard power and soft power. Fashion as social and cultural life in France and a form of soft power helps in spreading the influence of France and even the impacts on France's economy. This paper discusses how fashion can be used as instrument of soft power to affect economic growth, in particular France's economic growth. In the case of France's fashion industry, soft power is seen from the economic point of view.

II. Theoretical Framework

a. The concepts of Soft Power

All forms of politics are about power. When it comes to the definition of power, it is vital to know and noted whose definition is referring to. Power is the ability to influence others to do what the other one wants. According to Nye (1990), power is the ability to achieve one's purposes or goals. Traditionally, war is the way to prove a great power. As time goes on, the digital revolution has emerged, the technology has evolved, and the sources of power have shifted. Technology helps to accelerate the diffusion of power.

Precisely, there are two characteristics of power through the changing character of power, which are Hard Power and Soft Power. Hard Power or hard "command" power is the ability to exercise

international influences utilizing a country's military or economic capabilities (by economic sanctions). In short, hard power is hard and coercive to make others do what the other one wants. In the other hand, Nye (2008) defined soft power as "co-optive" power, which means the power that occurs when a country gets other countries to want what it wants or rests on the ability to shape the preferences of others by attraction instead of coercion (Heywood, 2011). In short soft power is a power of attraction. Soft power has the ability to persuade others by being an attractive example through cultural attraction, ideology, or the changing of point of view.

The concept of Soft Power was introduced by Joseph Nye (1990), he explained that power at the time is losing its emphasis on military force and conquest that marked earlier years. Power is turning into less transferable, less coercive, and less tangible. Geography, population, and raw materials seem to become less important than technology, education, external respect and reputation, and economic growth. The great powers of today are less to use traditional power resources. Five trends contribute to the diffusion of power; economic interdependence, transnational actors, nationalism in weak states, the spread of technology, and changing political issues (Nye, 1990). Besides, military power is more difficult to apply today than in the past because a social awakening in poor and weak states has stirred the nationalism.

Furthermore, as said before, Nye J. S (2008) stated that the soft power concept consists of three components - culture, political values, and foreign policy. In the cultural aspects, Nye J. S (2008) explained that culture is the set of practices that create meaning for society, and it has many manifestations. It is common to distinguish the culture between high cultures such as literature, art, and education, which usually appeals to elites. The other one is the popular culture that focuses on mass entertainment. Soft power seems to get more attractive, and this image let such states as France, and other 'average' countries, concerning their territory

and population, have a strong economic and political influence.

Soft power has become imperative, it is the ability to entice and attract, and it is seduction. Soft power rests on the ability to shape the preferences of others. Nevertheless, what makes soft power more relevant today is that if a state can make its power legitimate of others, it will encounter less resistance to its interest. If its culture and ideology are attractive, others will more willingly follow (Nye, 1990). The right place to influence soft power is public diplomacy, where the role of society is important.

Historically speaking, public diplomacy has contributed considerably in a means of promoting country's soft power as see that how essential soft power was in the era of Cold War. Nye (2008) continues explains that smart public diplomacy necessitates an understanding of the roles of credibility, self-criticism and civil society in generating soft power. In short, public diplomacy is an instrument of soft power to promote national interests through understanding, informing, and influencing the public widely globally. The government often use public diplomacy as an instrument that mobilize the resources of soft power to communicate with and attract the foreign publics, rather than merely their governments. Public diplomacy tries to attract the attention to these potential resources of power (soft power) either through broadcasting, exports, and so forth. Nye (2008) continues explain, if these efforts of public diplomacy that brought the country's culture, values, and policies are not attractive, the public diplomacy cannot produce soft power. In the other hand, if its attractive, the public diplomacy indeed played a big role to share and influence the soft power. This relation is tied in one another.

b. The Concepts and Indicators of Economic Growth

Economic growth is one of the country's economic health indicators. Economic growth, according to the website of (The World Bank, t.thn.) is measured by the change in the volume of its output or the real expenditure

or income of its residents and during relatively short periods, usually a year. The indicators of economics would help to analyze the economic activity nationally and globally.

In the theory of economy, economic growth implies an annual increase in material production expressed in value, the rate of growth of Gross Domestic Product (GDP), or national income. Gross Domestic Product is one of the most well-known and frequently tracked for economic growth by measuring the value or amount of goods and services produced by the nation for sale over a period of time. It does not matter whether it sold domestically or overseas. Hence, the increase in GDP means an increase in in-country production. As defined by the Bureau of Economic Analysis (BEA), GDP is also equal to the sum of private consumption expenditures, gross private domestic investment, net exports of products and services, and government consumption expenditures and gross investment. In short, GDP includes either private and public consumption, private and public investment, and more exports fewer imports.

According to Dynan & Sheiner (2018), as described in the Bureau of Economic Analysis, there are two approaches to measuring the GDP. The first one, named "expenditure approach," that measures GDP as the sum of consumption, investment, government spending, and net exports, which is the most familiar to many people. It includes estimates of pieces and their components. The other one is named "income approach" in which GDP could be measured by adding up all of the income earned through production, and the income side of the national accounts includes the various types of income that goes into GDP. This approach is also known as Gross Domestic Income (GDI). There is also a "value-added approach," which measuring GDP that involves taking the difference between total sales and the value of intermediate inputs or summing up the "value-added" at each stage of the production process.

According to Pietak (2014), the classical economist theory saw the determinants of economic growth through

investment and production capacity improvement. On the other hand, the neoclassical economics that emerged in the first half of the twentieth century identified three economic growth factors: land, capital, and labor. It is also supported by the neoclassical economic growth model developed by Robert Solow. He received the Nobel Prize in 1987 for the model and other contributions to the theory of economic growth. According to Solow (1956), the economic growth under the neoclassical conditions is produced by labor and capital. Economic growth will be achieved if there is output growth, which will occur if it produces by two inputs; labor and capital. These points were enough to explain the causes of economic growth in capitalist countries and the more the factors utilized to produce output, so does the higher economic growth. By this theory, economic growth is expected to increase society's income as the owners of production factors.

Other than that, when a country has the ability to produce more goods and services, then there will always an increase in the production of its quantity and quality. In short, economic growth is indicated by the rise in demand and production capacity. The amount of capital would be increased, and so does the laborers. Thus, one of the economic growth indicators could be seen through the increase in the labor force.

III. Fashion as France's Soft Power

Fashion is an art, and a part of France's social and cultural life also is a part of France's soft power. Arnold (2009) also mentioned that it raises important ethical and moral questions and connects to fine art and popular culture. From Marie Antoinette to today's high fashion (*haute couture*), France has long ruled fashion. The list of top fashion designers from France includes Chanel, Pierre Cardin, Céline, Chloé, Dior, Givenchy, Jean-Paul Gaultier, Hermès, Lanvin, Rochas, Louis Vuitton, Saint Laurent, and many more (Paris Digest, t.thn.). Historically, French fashion served as both soft power and cultural

branding. In the article by France24 mentioned that Haute Couture is indeed a key component of France's soft power, how its influencing global fashion and propagating a specifically Parisian *savoir-faire* (know-how) (France24, 2017). Bekhrad (2019) wrote in his article that previously, after the defeat of France in the hand of Germany in the Franco – Prussian War (1870-1871) and the Paris Commune (1871) when the power got briefly seized by the revolutionary socialist government, the French used *haute couture* as a means of soft power. So, if they no longer had a significant economic or political force, at least the French had their culture and clothes.

On the development of fashion, haute couture had evolved in France. *Haute* means high, elevated, high class, and *couture* means dressmaking or sewing or needlework, and haute couture means the most elevated highest level of fashion. It is an elite form of fashion, with garments fitted on to individual clients (Arnold, 2009). Couture is the category of fashion that is the most expensive, created with the highest quality craftsmanship and shows off the most avant-garde and fashion-forward styles, color combination, silhouettes, and ideas. Couture looks impressive and creates an impact from a distance and also offers something special and unique to the wearer or clothes. Still, even with more standard traditional beading the design, color combination, craftsmanship, mixture of texture must be elevated and supreme. Fantastical outlandish shapes and drapes are other couture hallmarks in general and, of course, the unique embellishment that is a combination of beads, silk flowers, and any fantastic stitch. In France, there is a trade association called the Federation De La Haute Couture et de la Mode, which means the federation of haute couture and fashion that contributes to bolstering Paris in its role as a global fashion capital (FHCM Teams, t.thn.).

Not only the haute couture but also the ready-to-wear fashion from France's high fashion designer also had massive success in fashion. It could be seen through the numbers of Christian Dior boutiques in Asia or the increasingly popular Louis Vuitton's status

handbags. The sentence “as empires fall, brands rise” sounds perfect to describe this. According to Adamson (2017) back in 2017, Abu Dhabi bought the rights to use the Paris museum’s famous name at a price tag of over \$500 million for three decades for the opening of Louvre Abu Dhabi, and it was one of the examples of how traditional French cultural diplomacy is being supplanted by brand politics.

Many less-known French fashion brands such as; Armor Lux, Tara Jarmon, Comptoir des Cotonniers, Sézane, and Cyrillus also turn Paris into one of the most creative fashion cities in the world. These brands keep maintaining the touch of France in mixing elegance and design. France, specifically Paris indeed, is home for the fashion industry and one of the largest textile industries in the world. Not forget to mention that Paris has worked with numerous couture design houses and manufacturing facilities. The creativity of French designers starting new trends that influence the fashion industry and fashion devotees.

The projection of French culture abroad thus became a significant component of French diplomacy and economy. Big brands are exporting their products, and their collection is the effort to promote France via its luxury. The large companies for high brands such as Yves Saint Laurent, Christian Dior, and Louis Vuitton have a near stranglehold on the luxury markets in every global region and jointly had sales of \$58 billion in 2016. The way people outside France or foreign citizens might recognize France now through brands is a good thing, proving how significant the influence of the brands is. When foreign citizens talk about France, they might mention a romantic, fashionable, and sophisticated city.

With that being said, fashion as a soft power has a direct impact on the field of economy. According to the analysis of leadership brands by Simon Anholt, national brands index provided by Eurostat showed that an increase in economy and foreign investment depends on the strength of the country's brand. On the other hand, through the research by Rose (2015), the measure of

soft power shows that a country sells more exports to other countries, which perceive it as a reasonable force, holding other factors constant. The high numbers of exports could be viewed as the behavior admired by others, which are the purpose of soft power.

The influence of fashion can constitute a form of soft power. Everyone likes to look pretty, elegant, and fabulous, loved to see beautiful and classy stuff such as a chic bag, pretty shoes, elegant dress, nice suit, and everyone interested because it is something wearable. How soft power works in fashion is through cultural influence. Through soft power and its cultural branding, the emergence of haute couture, and the assiduous promotion of French fashion on behalf of France, Paris indeed have a reputation of seemingly undeniable chicness (Bekhrad, 2019). The connection between fashion and soft power will, therefore, remain intrinsic and enduring.

IV. The Contributions of Fashion on France’s Economic Growth

As explained earlier, this section will discuss further how economic growth in France and how the fashion industry contributes to France's economy. According to the report and website by Focus Economic, France’s economy is the fifth-largest in the world and represents around one-fifth of the Euro area gross domestic product (GDP). In the manufacturing section, France is known as one of the global leaders in the automotive, railway sectors, and cosmetics and luxury goods. Besides, France also has a highly educated labor force and the highest number of science graduates per thousand workers in Europe (Focus Economics, 2018; Focus Economics, 2019).

At first, French fashion focus revolved on women’s wear from the idea of *la Parisienne*-the ideal Parisian woman, stylish, culture, and discerning (Bekhrad, 2019). The big branded name, such as Louis Vuitton, Chanel, Christian Dior, Yves Saint Laurent, Balenciaga, Hermes, and many other lists of France’s fashion designers, is impactful. Society plays a

significant role in influencing public opinion. Bought it and then used the product is proof that people acknowledge France’s superiority. France influences others with its capability in production, and the store will be expanding through other countries.

As mentioned in Deloitte’s Global Powers of Luxury Goods 2018 report, France’s top luxury fashion brand names LVMH, L’Oréal, Kering, and Hermès account for nearly one-quarter of the total sales of the industry’s top 100 corporations (AFP-Relaxnews, 2018). Furthermore, The LVMH Group itself (and its 70 brands), topped the revenue-based ranking. Moreover, nine of the corporations featured in the ranking are French-owned and generated 24.3% of the ranking’s aggregate revenue. In addition, this figure below shows the forecasted revenue development of the fashion luxury goods market for each year (in million US\$).

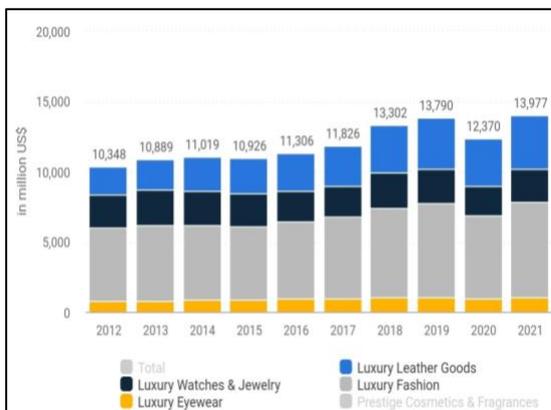


Fig. 1. Revenue in the Fashion Luxury Goods market in France for each year.

Source: Statista (2020)

Besides the data above, a research study from Institut Français de la Mode (IFM) about the fashion industry’s contribution to the economy of France shows back in 2016 that France’s fashion generates more sales than its aerospace and automobile industries. The annual sales generated by the fashion industry in France totaled €150 billion (\$170 billion), compared with €102 billion for aerospace and €39 billion for cars. Furthermore, this figure 2 below shows the data of the sectors that generate more added value. The fashion industry contributes €37,5

billion of added value, representing 1,7% of the French GDP.

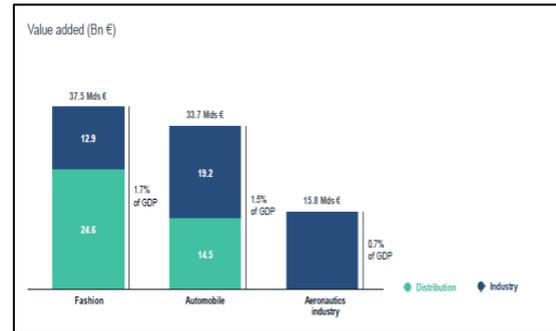


Fig. 2. The sales by the sector in France

Source: Institut Français de la Mode) (2016)

According to the research by Institut Français de la Mode (IFM), which was released in 2016, there were more than 300 annual numbers of fashion shows in Paris. These shows have total revenues of 1,2 billion euros, the amount of yearly economic benefits coming from fashion week in Paris. The table below shows the distribution of France’s fashion industry worth 150 billion euro on the direct turnover to the economy and has made 1 million jobs in the fashion industry.

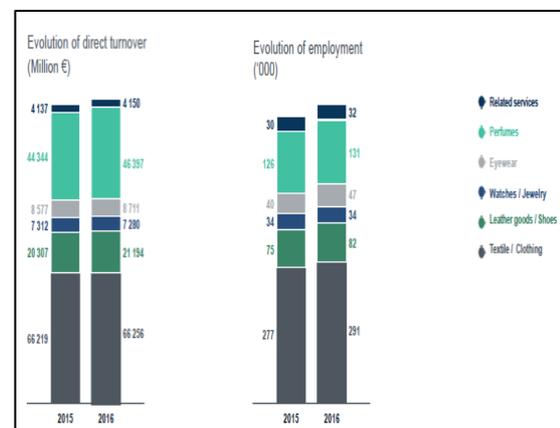


Fig. 3. The Evolution Worth of Direct Turnover (in billion euro) and employment in 2015 and 2016.

Source: Institut Français de la Mode (2016)

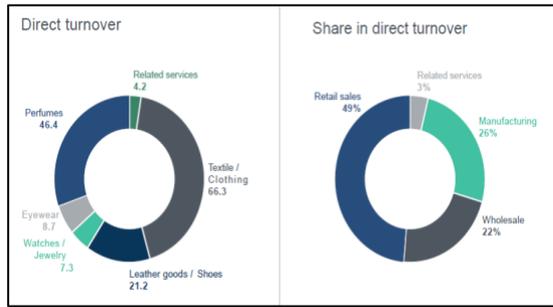


Fig. 4. Share in Direct Turnover (in percentage) by Fashion Industry in France
Source: Institute Français de la Mode (2016)

Figure 5 shows the export growth rate. Furthermore, according to the report analysis by IFM, the increased exports sale achieved 35, 7 billion euro. Meanwhile, 80 % of the top 50 French businesses export the export rate in the fashion industry sector. As explained before in the previous section, Gross Domestic Products' growth includes the numbers of exports.

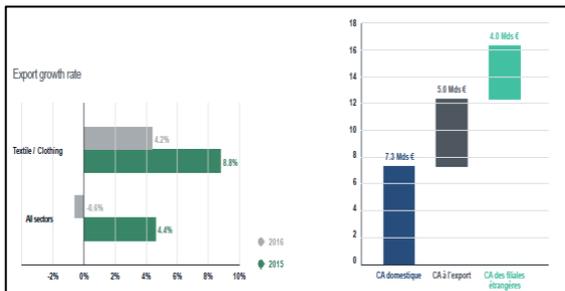


Fig. 5. The Export Growth Rate
Source: Institute Français de la Mode (2016)

According to the report by Institut Français de la Mode (IFM), on its indirect effects, fashion injects 21.2 billion euro of value-added in other sectors of activities. These include services and support for companies, transport and logistics, chemical industry, real estate, legal, accounting activities, architecture, and other sectors, and it is equivalent to 277.000 jobs.

Also, the effects induced by the distribution of income to employees in the fashion sector could be seen by the share of value-added produced in the branches of activity, such as; real estate activities, housing, and food services, beverages and tobacco, financial operations and insurance, health care, and other expenses—also, more

than 10.2 billion euros in additional value-added for the French economy. To understand better, this figure below would explain the economic estimating for fashion.

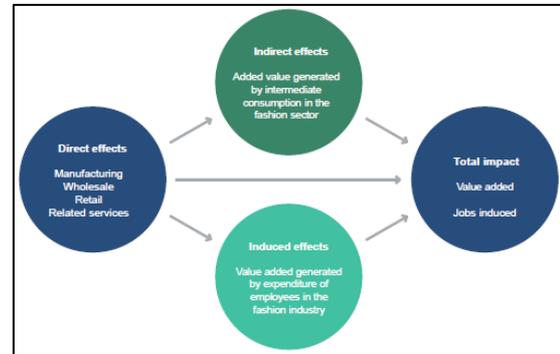


Fig. 6. Estimating the economic weight of fashion
Source: Institute Français de la Mode (2016)

The fashion industry is a significant contributor to France’s Gross Domestic Product (GDP) and employment numbers. Based on the explanation above, the total contribution of the Fashion industry in France could be seen in figures 6, the value added by direct effects contributed 37.5 billion euros with 670.000 jobs, induced effects did 115.000 jobs, and 10.2 billion euros. The total is 68.9 billion dollars equals 3.1 % of GDP, and about 1 million jobs from the fashion industry.

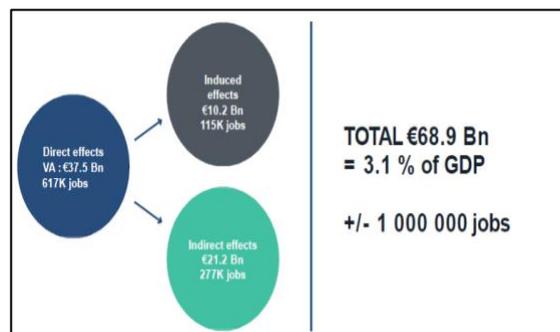


Fig. 7. The Total Contributions of Fashion
Source: Institute Français de la Mode (2016)

V. Conclusion

There are various ways to gain more power through soft power, for example. Soft power becomes relatable now, driving global change and pursuing national interests and

slowly taken place the forces and circumstances that are shaping international relations. Fashion, as a part of France's social and cultural life, has always been a part of France's soft power. Fashion has become one of the instruments of soft power through culture for France to spread their influence on around the globe by its products on fashion and luxury brands. The power that France had in the fashion industry is massive. Almost everyone knows the high-end luxury brand that France's had such as Chanel, Dior, Louis Vuitton, and many more as an example that has been mentioned in this paper. The target is the society through public diplomacy. Everyone who brought and used the products, acknowledge France's superiority in fashion. France's and the brand also expand their markets by branching out to other countries, as can be seen in the proliferation of luxury brand boutiques in Asia. Louis Vuitton's handbag that could be seen almost everywhere, Balenciaga's shoes, and many more. It is also beneficial for France's economy. Fashion in France is a significant contributor to GDP and the numbers of employment. France has its power by fame, name, and exposure, which will influence the increase of economic income and GDP. As explained before, fashion has contributed quite a lot to France's economy. When it comes to Fashion, people are thinking about France. Paris, specifically, still reigns internationally as a fashion metropolis for a variety of reasons. It is a home for some of the world's most prominent fashion conglomerates and dream country for the fashion enthusiast.

Works Cited

- Steele, V., ed., 1997. *Fashion Theory The Journal of Dress, Body & Culture*. s.l.:Bloomsbury Publishing.
- Steele, V., ed., 2005. *Encyclopedia of Clothing and Fashion*. s.l.:Thomson Gale.
- Goodman, B. R., 2012. *The Modernity of la Mode: a History of the French of the French Revolution Through the Lens of Fashion, Culture, and*. s.l.:Honors Theses.
- Bergin, H., 2018. *How France Became the Fashion Capital Of The World*. [Online] Available at: <https://theculturetrip.com/europe/france/articles/how-france-became-the-fashion-capital-of-the-world/> [Accessed 16 December 2019].
- Heywood, A., 2011. Power and Twenty-first Century World Order. In: *Global Politics*. London: Palgrave Macmillan, pp. 234-275.
- Nye, J., 1990. Soft Power. *Foreign Policy*, Issue 80, pp. 153-171.
- The World Bank, n.d. *Economy*. [Online] Available at: <https://datatopics.worldbank.org/world-development-indicators/themes/economy.html> [Accessed 13 February 2020].
- Paris Digest, n.d. *Paris fashion facts. French fashion*. [Online] Available at: <https://www.parisdigest.com/paris/french-fashion-paris.htm> [Accessed 23 June 2020].
- Arnold, R., 2009. *Fashion : A Very Short Introduction*. Oxford: Oxford University Press.
- FHCM Teams, n.d. *Mission and Purposes*. [Online] Available at: <https://fhcm.paris/en/the-federation> [Accessed 16 June 2020].
- Bekhrad, J., 2019. *Why are the French so chic?*. [Online] Available at: <http://www.bbc.com/culture/story/20191007-why-are-the-french-so-chic> [Accessed 17 Desember 2019].
- AFP-Relaxnews, 2018. *French-owned groups still lead worldwide luxury market, according to Deloitte survey*. [Online] Available at: <https://uk.fashionnetwork.com/news/French-owned-groups-still-lead-worldwide-luxury-market-according-to-deloitte-survey,982733.html> [Accessed 23 June 2020].
- Statista, 2020. *Luxury Fashion: France*. [Online] Available at:

- <https://www.statista.com/outlook/21030000/136/luxury-fashion/france>
[Accessed 01 November 2020].
- Institut Français de la Mode, 2016. *Fashion in France : Evaluation of its economic weight*, France: s.n.
- Nye, J. S., 2008. Public Diplomacy and Soft Power. *The ANNALS of the American Academy of Political and Social Science*, 616(1), pp. 94-109.
- Dynan, K. & Sheiner, L., 2018. GDP as a Measure of Economic Well-Being. *Hutchins Center Working Paper #43*, pp. 1-53.
- Pietak, Ł., 2014. Review Of Theories And Models Of Economic Growth. *Comparative Economic Research*, Volume 17, Number 1, pp. 45-60.
- Solow, R. M., 1956. A Contribution to the Theory of Economic Growth. *The Quarterly Journal of Economics*, Vol. 70, No. 1, pp. 65-94.
- Adamson, T., 2017. *Brand diplomacy: in Louvre, France hones soft power strategy*. [Online] Available at: <https://www.seattletimes.com/business/brand-diplomacy-in-louvre-france-hones-soft-power-strategy/>
[Accessed 17 June 2020].
- Rose, A. K., 2015. Like me, buy me: The effect of soft power on exports. *CEPR Discussion Paper 10713*.
- Focus Economics, 2018. *Economic Growth (GDP, annual variation in %)*. [Online] Available at: <https://www.focus-economics.com/economic-indicator/gdp>
[Accessed 22 June 2020].
- Focus Economics, 2019. *France Economic Outlook*. [Online] Available at: <https://www.focus-economics.com/countries/france>
[Accessed 18 December 2019].
- France24, 2017. *Paris Haute Couture Week: French soft power is back!*. [Online] Available at: <https://www.france24.com/en/20170707-fashion-paris-haute-couture-week-chanel-grand-palais-dior->
- [gaultier-fournie-petit-bateau](https://www.gaultier-fournie-petit-bateau.com)
[Accessed 15 December 2019].