

# Casa México: Promotion, Innovation and Cultural Diplomacy in South by Southwest (SXSW)

*Casa México: promoción, innovación y diplomacia cultural en South by Southwest (SXSW)*

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## **Abstract:**

The organization of Casa México as part of the interactive South by Southwest (sxsw) festival—one of the most prestigious international events of its type—is a prime example of how cultural diplomacy, including the promotion of trade and entrepreneurship, can help redefine Mexico as a modern, innovative country in today's globalized, digital and interdependent world.



## **Resumen:**

La organización de Casa México en el festival interactivo South by Southwest (sxsw), uno de los más importantes en su género a nivel internacional, representa un caso exitoso de cómo la diplomacia cultural, incluyendo la promoción económica y el fomento al emprendimiento, pueden contribuir al apuntalamiento de México como un país moderno e innovador en un entorno internacional globalizado, digital e interdependiente.



## **Key Words:**

sxsw, entrepreneurship, innovation, creative industries, digital era, cultural diplomacy, nation branding.



## **Palabras clave:**

sxsw, emprendimiento, innovación, industrias creativas, era digital, diplomacia cultural, marca país.

# Casa México: Promotion, Innovation and Cultural Diplomacy in South by Southwest (SXSW)

*Jorge Ernesto Salcido Zugasti*

Mexico's participation in the interactive festival South by Southwest (SXSW)—one of the most prestigious international events of its kind—in the form of Casa México is a clear example of how diplomacy and consulates can facilitate Mexico's economic, tourism and cultural promotion.

The success of this initiative can largely be attributed to the implementation of a model of mixed cooperation between the public sector, spearheaded by the Secretariat of Foreign Affairs (SRE) via Mexico's Consulate General in Austin and the ministries of the economy, tourism and culture; and the private sector, represented by the business community, investment funds, academic institutions, and artists and young innovators, both in Mexico and the city of Austin.

In this article, I will discuss the relevance of South by Southwest in the international context of the creative industries and contemporary culture, and the importance of representing Mexico officially at this event. I will then give an overview of the experience of organizing the Casa México initiative, including the challenges and opportunities that arose during the early phases of its implementation. To conclude, I will explain why Casa México is such a good example of how the use of soft power in diplomatic and international relations can change the public's perception of a country and help further its public policy and foreign policy goals for the promotion of the economy, tourism, culture and innovation.

## South by Southwest

The importance of the South by Southwest festival can only be appreciated in the context of how much it has grown in terms of its reach and popularity since it was created more than three decades ago. The initiative dates to 1986, when a handful of artists and journalists in Austin began looking for ways of showcasing local creative talent beyond the capital. Taking an inclusive, innovative approach, they decided that instead of exporting homegrown talent, they would invite outsiders to discover it on the city's own stages, unified under the banner of music<sup>1</sup> and the leadership of Ronald Swenson, Louis Black and Nick Barbaro, contributors to the weekly *The Austin Chronicle*.

Thus was born the idea of creating a festival whose concept was not limited to Austin, but that could include other places in the south of the United States. A year later, in 1987, the first edition of South by Southwest drew an audience four times larger than anyone had anticipated. Since then, SXSW has evolved year by year, both conceptually and thematically, to the point where it is now a leading platform for the launch of the latest information technologies, the creative industries, scientific breakthroughs and startup competitions, not to mention a hub for the exchange of contemporary ideas and artistic proposals, primarily in film and music. For instance, it was at the 2007 edition of SXSW that the then fledgling Twitter established itself as one of the main social media of our day when it increased daily traffic in tweets from 20,000 to 60,000 by displaying its messages on giant screens at the festival's conferences.<sup>2</sup>

Austin reaps huge economic benefits from the event. In 2018, the festival generated US\$350.6 million, the city's hotels sold 53,000 room nights and coverage in printed and digital media was valued at US\$431 million.<sup>3</sup>

The 2019 edition boasted participants from 106 countries, 2,128 conferences and discussion panels, and 361 parties and special events. Of those in attendance, 86% had completed some form of higher education,

<sup>1</sup> SXSW, "History of SXSW" at <https://www.sxsw.com/about/history/> (consulted on: August 6, 2019).

<sup>2</sup> Alex Geiser, "SXSW Stays Course, Continues Growth", *The Daily Texan*, March 18, 2010.

<sup>3</sup> SXSW, "Analysis of the Economic Benefit to the City of Austin from SXSW 2018", at <https://explore.sxsw.com/buifs/2018%20SXSW%20Economic%20Impact%20Analysis.pdf> (consulted on: August 10, 2019).



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74% reported annual income in excess of US\$75,000 and 19% of participating organizations were startups.<sup>4</sup>

The South by Southwest festival is held every year in March. During the 10 or so days of the event, Austin throbs with interaction, innovation and music. Even though the festival's dynamic has been dictated by the inexorable development of technology in recent decades, resulting in ever-greater sophistication and diversity, creativity is still at its core and its success can largely be credited to the opportunities it offers those who know how to spot them and seize them. That was the case of Mexican Ambassador Carlos González Gutiérrez, who, after arriving in Austin as Consul General in 2015, realized that despite Mexico's geographical proximity and strong cultural, historic and economic ties with the United States, particularly Texas, there was no official umbrella organization to support and represent Mexico's talented young innovators and artists at SXSW.

It should be noted that although many Mexican artists, entrepreneurs, students and innovators had participated in SXSW from the very beginning, they did so as individuals, without the backing of the Mexican government. It was

<sup>4</sup> sxsw, "sxsw 2019 Demographics", at <https://explore.sxsw.com/hubfs/2019-SXSW-CONFERENCE+FESTIVALS-Demographics.pdf> (consulted on: August 10, 2019).

not until 2015 that the Ministry of the Economy, via ProMéxico, participated with a pavilion at the trade show. That same year, a large group of students, innovators and professors from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) took part in several of the festival's events.

## Planning and Organization of Casa México

In mid-2015, Mexico's Consulate General in Austin joined forces with a group of Mexican entrepreneurs in Austin and former ITESM students to organize the first Casa México at SXSW for the 2016 edition of the festival. How could it be that, given the number of Mexicans and people of Mexican origin in Texas, and Mexico being one of only two countries with a consulate in Austin (the other is Ireland), the country had no official representation at South by Southwest?

Organizing the first Casa México was something of a feat because there were no precedents to go on, but in a matter of days, the project began to take shape and with it, the obstacles that would have to be overcome.

The sheer variety of topics and events, the number of actors involved, a shortage of resources and, obviously, time, made it clear that the first and most pressing step was to define the goals of Casa México. What did we want to do and what for? At the heart of South by Southwest is the convergence of creative disciplines across different industries—information (interactive) and sustainable (environmental) technologies, music, film and education. As such, our goal had to be clear and comprehensive. Therefore, we concluded that Casa México's mission was to harness the creativity of Mexico's entrepreneurs and organizations with a view to strengthening our international standing as a leader in innovation, culture and tourism in the interests of the country's development.

The second major challenge was logistics, since the project required coordinating the participation of very diverse actors, finding common ground between them, defining priorities, drawing up an agenda and raising funds to finance it.

To this end, an organizing committee was set up representing the SRE, via the Consulate General in Austin; the Ministry of the Economy, via ProMéx-

ico; the Ministry of Tourism, via the Mexican Tourism Board; and the private sector, via ITESM and the Association of Mexican Entrepreneurs in Austin.

We also managed to secure the support of two local partners that turned out to be key to the initiative's success: the government of the City of Austin, particularly Mayor Steve Adler, who showed his support from the outset by making the facilities of the Emma S. Barrientos Mexican American Cultural Center (MACC)<sup>5</sup> available to Casa México, and International Accelerator,<sup>6</sup> a capital accelerator with broad experience organizing pitch competitions.

The first edition of Casa México took place on March 11-14, 2016, and was attended by approximately 6,000 people. With the assistance of the SRE's Directorate General for Educational and Cultural Cooperation and the Ministry of Culture, the Mexican bands Toy Selectah, Centavrus, Naafi, Tropic Aza, AAAA and Nortec, and the conference speakers Alejandro Machorro and Josué Ibáñez de Cocolab were able to attend. The SRE also sponsored the exhibition *Mi Casa, Your Casa* by the Mexican designers Héctor Esrawe and Ignacio Cadena, which met with an excellent reception. The media, both national and international, gave broad coverage to Casa México, which made the front page of dailies such as the *Austin American Statesman*.<sup>7</sup> Mexico's participation in the festival also extended to the SXSW trade show, where ProMéxico set up a pavilion to promote investment and business opportunities in Mexico.

<sup>5</sup> In the late Eighties, Austin's City Council adopted a resolution to allocate Lot No. 600 on River Street for the construction of the MACC. In the years to follow, sympathizers of the project raised funds and garnered the support of the community. In 1996, having overcome several administrative obstacles, a group of Latino artists filed a definitive bill with the municipal government and a working group was created in 1997 to register a non-profit organization. In 1998, the creation of the MACC was approved with a budget of US\$10.9 million. The center's main purpose is to preserve, create and promote the culture and art of Mexican-Americans and people of other Latin-American cultures in the United States. City of Austin, "Emma S. Barrientos Mexican American Cultural Center", at <http://austintexas.gov/esbmacc> (consulted on: August 15, 2019); "Emma S. Barrientos Mexican American Cultural Center", in Do512, at <http://do512.com/venues/emma-s-barrientos-mexican-american-cultural-center> (consulted on: August 15, 2019).

<sup>6</sup> International Accelerator, available at [https://iaccelerator.com/?gclid=E.A1aIQobChMImoz-C8p2u5AIV7f\\_jBx1OwDqE.AAYASA.EgLDUvD\\_BwE](https://iaccelerator.com/?gclid=E.A1aIQobChMImoz-C8p2u5AIV7f_jBx1OwDqE.AAYASA.EgLDUvD_BwE) (consulted on: August 15, 2019).

<sup>7</sup> James Barragán, "México Aims to Wow Crowds at SXSW Event," *Austin American Statesman*, March 11, 2016, front page.

From the very first edition, it was clear that one of the main goals of Casa México, if not the main goal, had to be the promotion of Mexico's young entrepreneurs and innovators by exposing them to the entrepreneurship ecosystem of Austin and the festival itself.

As in any first-time endeavor, this experience produced both hits and misses. One of the most important lessons we learned was the need for greater involvement by the private sector, both in Mexico and Austin, and more support for young Mexicans participating in Casa México, so they could attend other SXSW events and make the most of the holistic experience offered by the festival. We also realized we needed to push for the inclusion of panels and conferences on Mexico in the official SXSW program.

Based on this experience, we created three task forces for the second Casa México at SXSW 2017—states, entrepreneurs and content—and a dedicated team for promoting the event. For the entrepreneurship competition, the then National Institute of the Entrepreneur (INADEM) was invited to coordinate a national competition for young entrepreneurs from all over the country in conjunction with the SRE, International Accelerator and ITESM.

The second edition of Casa México took place on March 9-11, 2017.<sup>8</sup> On this occasion, it achieved its goal of showcasing some of the country's most cutting-edge innovation and technological development projects for Austin and the world. Mexican participants vied with young competitors from Argentina, Greece, Hungary, Israel and Russia; and the organization of the pitch competition improved substantially, with the classification of projects into scaleups and startups.

A total of 60 Mexicans competed in the international pitch competition organized by Casa México SXSW. Mexico's projects did the country proud, with three companies featuring among the 10 finalists. One of these was Global Nano Additives, by Édgar Raygoza from Monterrey, who presented a nanoadditives project on pressurized industrial lubrication at high

<sup>8</sup> SRE, "Por segundo año consecutivo, Casa México abre sus puertas en el festival interactivo South by Southwest en Austin, Texas", press release no. 89, March 8, 2017, at <https://www.gob.mx/sre/prensa/por-segundo-ano-consecutivo-casa-mexico-abre-sus-puertas-en-el-festival-interactivo-south-by-south-west-en-austin-texas> (consulted on: September 1, 2019).

temperatures.<sup>9</sup> Essential to the organization of the event was the input of International Accelerator, an expert in this type of competition, the evaluation and selection of viable projects, and the drawing up of financing mechanisms to see them through.

Likewise, we realized that, with the institutional support of Casa México, panelists and conference speakers from Mexico who wanted to take part in the festival's official program could make better use of their time in Austin if we invited them to the events organized by Casa México, so they could share their experiences and know-how with young Mexican innovators.

By the third Casa México in 2018, the route was already mapped out. After 2 years of experience, it was clear the best strategy for organizing the event was a mixed model of cooperation between the public and private sectors that allowed for the pooling of resources and sponsors toward the common goal of promoting Mexico as a modern, innovative country, proud of its cultural wealth, traditions and the creativity of its people.

That year, 72 companies representing 11 countries participated in the pitch competition organized by Casa México: Brazil, Finland, France, Germany, Greece, Israel, Mexico, Norway, Poland, the United Kingdom and Russia. To our satisfaction, six of the top 10 places went to Mexican projects, including first place, which was taken by another young man from Monterrey, Julián Ríos Cantú from Higia Technologies, who designed a device with biosensors for detecting signs of breast cancer.<sup>10</sup>

On the cultural and artistic front, Casa México's arsenal was no less varied. As part of the project, the *Lacas de Olinalá* exhibition was staged at the Austin-Bergstrom International Airport, where it was seen by hundreds of thousands of inbound travelers, while *El vuelo y su semilla* by the contemporary artist Betsabeé Romero was shown at the main gallery of the MACC.<sup>11</sup>

<sup>9</sup> Adrián Espinosa, "Ésta es la *startup* mexicana que brilla en SXSW", in *Forbes México*, March 11, 2017, at <https://www.forbes.com.mx/esta-la-startup-mexicana-brilla-sxsw/> (consulted on: September 1, 2019).

<sup>10</sup> The other five companies were Xillinat (fourth place), Nmerso (sixth place), Polybion (seventh place), Robin (eighth place) and Immatech (ninth place).

<sup>11</sup> SRE, "Por tercera ocasión, Casa México abre sus puertas en el festival interactivo South by Southwest (SXSW) en Austin, Texas", press release no. 52, March 8, 2018, at <https://www.gob.mx/sre/prensa/por-tercera-ocasion-casa-mexico-abre-sus-puertas-en-el-festival-interactivo-south-by-southwest-sxsw-en-austin-texas> (consulted on: September 1, 2019).





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The urban artist Antonio Triana, better known by his artistic name *Cix Murgre*, was selected and invited to paint a mural on the outside walls of the Mexic-Arte Museum. Entitled *Soledad-La edad del sol*, the central theme of the mural is the bond between Mexico and Texas. Representing the Mexican film industry was director Luciana Kaplan, who showed her documentary *Rush Hour*, which won the Ojo Prize for best feature-length Mexican documentary at the 15th Morelia International Film Festival.

Key to the success of economic and cultural promotion projects of this type is constant innovation, which is why we decided to move the fourth edition of Casa México in 2019<sup>12</sup> from the MACC to the Mexic-Arte Museum in downtown Austin, where most of the festival's events are held. This decision turned

<sup>12</sup> SRE, "Casa México promueve a nuestro país en el Festival South by Southwest en Austin, Texas," press release no. 49, March 8, 2019, at <https://www.gob.mx/sre/prensa/casa-mexico-promueve-a-nuestro-pais-en-el-festival-south-by-southwest-en-austin-texas> (consulted on: September 1, 2019).

out to be very beneficial, as it positioned Casa México at the geographic heart of the festival and drew a large international crowd. For three whole days, Mexic-Arte treated some 7,000 visitors to a contemporary museum experience of Mexico, curated by Alejandro Martínez from ETC (Estudio, Taller y Casa).

One of the main sponsors of Casa México this year was the Government of Saltillo, Coahuila, whose Office for Economic and Tourism Promotion staged part of the *Titanes del desierto* exhibition belonging to the Museo del Desierto. The exhibition consisted of replicas of dinosaurs decorated with Wixárika or Huichol art, as well as some original fossils. In the afternoons, audiences gathered to see concerts by Mexican bands and artists,<sup>13</sup> several of which were Grammy nominees invited by SXSW to perform as part of the festival's official program. There were also tastings of emblematic Mexican foods and beverages such as tequila, mezcal, wines from the Parras region and coffee from Chiapas.

The 2019 Casa México International Pitch Competition featured 43 startups: 20 from Mexico and 13 representing other countries. As in previous years, it was organized in cooperation with ITESM, INC Monterrey and International Accelerator. Once again, Mexico's entrepreneurs stole the limelight, with four ending up in the top 10, including first and second places, which went, respectively, to Diego Roel Chapa, founder of Strap Technologies, with a device for the visually impaired that detects obstacles, and Melina Cruz and Édgar Tello, who designed the Homely digital platform to improve the working conditions and facilitate the hiring of cleaning personnel.<sup>14</sup>

## The Strategic Power of Persuasive Diplomacy

These results show that the annual Casa México initiative at the South by Southwest interactive festival has undoubtedly borne fruit. Casa México

<sup>13</sup> Bands that gave concerts at Casa México SXSW 2019 included Agrupación Cariño, Comisario Pantera, El David Aguilar, Akil Ammar, Edna and the Musicians, Fer Casillas, Sebastián Romero, L30n and Pehuenche.

<sup>14</sup> Martha Elena Violante, "Los cinco mexicanos menores de 30 años que vencieron a 40 startups de todo el mundo y ahora van por 9.5 millones de pesos", in *Entrepreneur*, March 9, 2019, at <https://www.entrepreneur.com/article/329914> (consulted on: September 1, 2019).

is also an excellent example of how soft power—a concept introduced by Joseph Nye in the late 20th century for the analysis of international relations in an increasingly globalized and interdependent world—can wield subtle, but nonetheless effective influence and transmit messages of persuasion that further strategic foreign policy goals.<sup>15</sup> In this case, it served to position Mexico as a key actor in the global innovation and entrepreneurship ecosystem.

According to figures from the Reputation Institute, Mexico was ranked 41st on the international reputation or respectability index in 2018,<sup>16</sup> below other Latin American countries such as Brazil, Argentina, Peru and Chile. If we accept that this index reflects a generalized perception of our country, we have a long road ahead of us.

It is precisely at forums such as South by Southwest, which are attended by opinion leaders, innovators, entrepreneurs, scientists, government officials, artists and young people from all over the world, that a different national narrative can be spun—one that exploits the wealth of our culture and artistic values, so widely recognized by the international community—along with the innovative creativity of our youth and the quality and potential of their proposals.

In this regard, our diplomatic and consular missions should serve as instruments of public diplomacy, transmitting updated, reliable information about Mexico that facilitates the promotion of investment, trade, tourism, academic and scientific exchange programs, sports, the arts and, in general, contact between Mexicans and the international community.

This is especially necessary in the case of our neighbor and main trading partner, the United States, where the perception of Mexico is often suboptimal. According to data provided by the Pew Research Center, only 23% of Americans polled said they had a very favorable opinion of Mexico, compared with 52% in the case of Canada.<sup>17</sup>

<sup>15</sup> Joseph S. Nye, Jr., “Soft Power,” in *Foreign Policy*, no. 80, Fall 1990, 153-171.

<sup>16</sup> Reputation Institute, “The World’s Most Reputable Countries: 2018 Country RepTrak,” June 21, 2018, at <https://www.reputationinstitute.com/sites/default/files/pdfs/2018-Country-RepTrak.pdf> (consulted on: September 1, 2019).

<sup>17</sup> John Laloggia, “Americans Have Mixed Views of Mexico, ‘Warmer’ Feelings toward Canada,” in Pew Research Center, August 28, 2018, at <https://www.pewresearch.org/fact-tank/2018/08/28/americans-have-mixed-views-of-mexico-warmer-feelings-toward-canada/> (consulted on: September 1, 2019).

It is therefore essential to penetrate public opinion in the United States with strategic messages that portray Mexico as a modern, reliable, innovative country. The artistic and cultural dissemination of Mexico's nation branding has been successful, largely because these are aspects of Mexico that sell and convince the international community. Culture is the bedrock of a country's soft power and Mexico is extraordinarily rich and diverse in cultural terms, which is what makes it so appealing to foreigners. Yet portraying Mexico as a modern, innovative country has proven more complicated, as we are often associated with an image of backwardness, violence and low levels of education.

While national governments are responsible for defining strategic public policy goals and coordinating efforts to transmit the messages the country wants to send the world, the private sector also plays a vital role. In the case of Casa México, the participation of entrepreneurs, students, artists and other members of civil society has been indispensable to the success of the initiative.

## Conclusions

As Nye says, soft power is based on the power of persuasion or the ability to transform others<sup>18</sup>—of bringing about a change in how a country is perceived using solid, transparent arguments. Yet, according to Leonardo Curzio, this is not sufficient. Soft power, he says, needs to be directed through the appropriate channels to reach its target audience.<sup>19</sup> On this note, the South by Southwest interactive festive has turned out to be the ideal channel to transmit the message that Mexico is an innovative, creative country to a highly educated audience with influence on the global community.

The Reputation Institute argues that countries that manage to transmit a consistent story via integrated communications channels obtain high media ratings, including on social media. In contrast, those that do not manage to project a well-defined message score low ratings in these areas.

<sup>18</sup> J. S. Nye Jr., *La paradoja del poder norteamericano*, Madrid, Taurus, 2003, 30-31.

<sup>19</sup> Leonardo Curzio, "La imagen de México", in Guadalupe González G. and Olga Pellicer (coords.), *La política exterior de México: metas y obstáculos*, Mexico, ITAM/Siglo XXI Editores, 2013, 27-50.

This is why the Mexican government, as an agent of change, needs to continue to support projects like Casa México by cooperating closely with the private and academic sectors, and bringing young Mexicans on board to project the image of a modern, innovative country that has fully embraced the digital era.

South by Southwest is a magnificent opportunity to do this, largely because of the influence it has on social media. As Corneliu Bjola says:

By marginalising or even eliminating ways in which people do their work in a specific field of activity, new technologies create pervasive conditions for active and enduring resistance against them. On the other hand, by laying the groundwork for new economic or social opportunities, they also stimulate new thinking and innovative practices that reinforce and sustain them in the long term.<sup>20</sup>

Hence, the importance of intergovernmental cooperation to the economic and cultural promotion of Mexico, spearheaded by entities like the recently created Tourism Diplomacy Council, which reports to the SRE, the Ministry of Culture<sup>21</sup> and other public agencies such as the ministries of the Economy and Tourism, together with state and municipal governments.

We also need to harness the enormous potential of Mexicans living abroad, especially young people, whether students, artists or entrepreneurs, because, at the end of the day, these are the people that best incarnate the transformative power of a modern society.

<sup>20</sup> Corneliu Bjola, "Diplomacia digital 2.0: tendencias y resistencias", in *Revista Mexicana de Política Exterior*, no. 113, May-August, 2018, 37.

<sup>21</sup> SRE, "Presentación del Consejo de Diplomacia Cultural", May 16, 2019, at <https://www.gob.mx/sre/articulos/presentacion-del-consejo-de-diplomacia-cultural-200443> (consulted on: September 1, 2019).